

SENATE JOURNAL

STATE OF ILLINOIS

NINETY-SECOND GENERAL ASSEMBLY

48TH LEGISLATIVE DAY

THURSDAY, MAY 24, 2001

9:00 O'CLOCK A.M.

No. 48
[May 24, 2001]



The Senate met pursuant to adjournment.
 Honorable James "Pate" Philip, Wood Dale, Illinois, presiding.
 Prayer by Senator Adeline J. Geo-Karis, Zion, Illinois.
 Senator Radogno led the Senate in the Pledge of Allegiance.

Senator Bomke moved that reading and approval of the Journal of Wednesday, May 23, 2001 be postponed pending arrival of the printed Journal.

The motion prevailed.

JOINT ACTION MOTIONS FILED

The following Joint Action Motions to the Senate Bills listed below have been filed with the Secretary and referred to the Committee on Rules:

Motion to Concur in H.A.'s 1 and 2 to Senate Bill 20
 Motion to Concur in House Amendment 1 to Senate Bill 846
 Motion to Concur in H.A.'s 1, 2, 3 to Senate Bill 887
 Motion to Concur in House Amendment 1 to Senate Bill 1175

LEGISLATIVE MEASURES FILED

The following floor amendments to the House Bills listed below have been filed with the Secretary, and referred to the Committee on Rules:

Senate Amendment No. 2 to House Bill 2099
 Senate Amendment No. 4 to House Bill 2432

EXCUSED FROM ATTENDANCE

Senator Maitland was excused from attendance due to illness.

On motion of Senator Demuzio, Senator O'Daniel was excused from attendance due to illness in his family.

At the hour of 9:16 o'clock p.m., Senator Donahue presiding.

CONSIDERATION OF SENATE AMENDMENT TO HOUSE BILL ON SECRETARY'S DESK

On motion of Senator Philip, House Bill No. 2917, with Senate Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Philip moved that the Senate refuse to recede from its Amendment No. 1 to House Bill No. 2917 and that a First Committee of Conference consisting of five members on the part of the Senate and five members on the part of the House be appointed to adjust the differences between the two Houses in regard to said amendment.

The motion prevailed.

The President appointed as such Committee on the part of the Senate, the following: Senators Dillard, Klemm, Philip, Demuzio and E. Jones.

Ordered that the Secretary inform the House of Representatives thereof.

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REPORTS FROM RULES COMMITTEE

Senator Weaver, Chairperson of the Committee on Rules, during its May 24, 2001 meeting, reported the following Joint Action Motions have been assigned to the indicated Standing Committees of the Senate:

Judiciary: Motions to concur with House Amendments 1 and 2 to Senate Bill 20; House Amendments 1, 2 and 3 to Senate Bill 887.

Local Government: Motion to concur with House Amendment 2 to Senate Bill 915

State Government Operations: Motion to concur with House Amendment 1 to Senate Bill 846.

Senator Weaver, Chairperson of the Committee on Rules, during its May 24, 2001 meeting, reported the following Legislative Measures have been assigned to the indicated Standing Committees of the Senate:

Executive: Senate Amendment No. 4 to House Bill 2432.

Insurance and Pensions: Senate Amendment No. 2 to House Bill 2099.

COMMITTEE MEETING ANNOUNCEMENTS

Senator Dillard, Chairperson of the Committee on Local Government announced that the Local Government Committee will meet today in Room 400, Capitol Building, at 10:30 o'clock a.m.

Senator R. Madigan, Chairperson of the Committee on Insurance and Pensions announced that the Insurance and Pensions Committee will meet today in Room 212, Capitol Building, at 10:30 o'clock a.m.

Senator Klemm, Chairperson of the Committee on Executive announced that the Executive Committee will meet today in Room 212, Capitol Building, immediately upon recess.

REPORTS FROM STANDING COMMITTEES

Senator Lauzen, Chairperson of the Committee on Commerce and Industry, to which was referred the Motion to concur with House to the following Senate Bill, reported that the Committee recommends that it be adopted:

Motion to concur House Amendment 1 to Senate Bill 281

Under the rules, the foregoing motion is eligible for consideration by the Senate.

Senator Cronin, Chairperson of the Committee on Education, to which was referred the Motion to concur with House amendment to the following Senate Bill, reported that the Committee recommends that it be approved for consideration:

Motion to concur House Amendment 1 to Senate Bill 406

Under the rules, the foregoing motion is eligible for consideration by the Senate.

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Senator Cronin, Chairperson of the Committee on Education to which was referred the following Senate floor amendment, reported that the Committee recommends that it be adopted:

Amendment No. 1 to Senate Joint Resolution 28

Under the rules, the foregoing floor amendment is eligible for consideration on second reading.

Senator Klemm, Chairperson of the Committee on Executive to which was referred the following Senate floor amendments, reported that the Committee recommends that they be adopted:

Amendment No. 2 to House Bill 263

Amendment No. 1 to Senate Resolution 152

Under the rules, the foregoing floor amendments are eligible for consideration on second reading.

Senator Hawkinson, Chairperson of the Committee on Judiciary, to which was referred the Motion to concur with House amendments to the following Senate Bill, reported that the Committee recommends that it be approved for consideration:

Motion to concur H.A.'s 1 and 2 to Senate Bill 725

Under the rules, the foregoing motion is eligible for consideration by the Senate.

At the hour of 9:26 o'clock a.m., the Chair announced that the Senate stand at recess subject to the call of the Chair.

AFTER RECESS

At the hour of 2:30 o'clock p.m., the Senate resumed consideration of business.

Senator Watson, presiding.

JOINT ACTION MOTION FILED

The following Joint Action Motion to the Senate Bill listed below has been filed with the Secretary and referred to the Committee on Rules:

Motion to Concur in House Amendment 1 to Senate Bill 1177

LEGISLATIVE MEASURE FILED

The following floor amendment to the Senate Resolution listed below has been filed with the Secretary, and referred to the Committee on Rules:

Senate Amendment No. 1 to Senate Resolution 153

REPORTS FROM STANDING COMMITTEES

[May 24, 2001]

Senator Klemm, Chairperson of the Committee on Executive, to which was referred Senate Joint Resolutions numbered 34 and 35 reported the same back with amendments having been adopted thereto, with the recommendation that the resolutions, as amended, be adopted.

Under the rules, Senate Joint Resolutions numbered 34 and 35 were placed on the Secretary's Desk.

Senator R. Madigan, Chairperson of the Committee on Insurance and Pensions to which was referred the following Senate floor amendment, reported that the Committee recommends that it be approved for consideration:

Amendment No. 2 to House Bill 2099

Under the rules, the foregoing floor amendment is eligible for consideration on second reading.

Senator Dillard, Chairperson of the Committee on Local Government, to which was referred the Motions to concur with House amendments to the following Senate Bills, reported that the Committee recommends that they be approved for consideration:

Motion to concur House Amendment 1 to Senate Bill 95
Motion to concur House Amendment 2 to Senate Bill 915

Under the rules, the foregoing motions are eligible for consideration by the Senate.

PRESENTATION OF RESOLUTION

SENATE RESOLUTION NO. 169

Offered by Senator Lauzen and all Senators:
Mourns the death of N. Sheldon Dodds of Marion.

The foregoing resolution was referred to the Resolutions Consent Calendar.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has adopted the following joint resolution, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

HOUSE JOINT RESOLUTION NO. 26

WHEREAS, A significant number of Illinois children and youth suffer from depression and other mental health problems that affect their ability to learn and their propensity for violence, alcohol and substance abuse, and other delinquent behaviors; and

WHEREAS, One in 10 children and adolescents in Illinois suffer from a mental illness severe enough to cause some level of impairment; yet, in any given year only about one in 5 of these children receive mental health services; and

WHEREAS, Researchers and practitioners agree that the majority of children and youth with mental health needs, other than those with serious, chronic mental disorders, do not receive preventive

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interventions; yet, these interventions have been shown to be effective in reducing the impact of risk factors for mental disorders and improving social and emotional development; and

WHEREAS, Childhood is an important time to prevent mental disorders to promote healthy development, because many adult disorders have related antecedent problems in childhood; and

WHEREAS, Mental health services for children and youth need to be delivered in natural settings, like schools or school-linked programs, if they are to successfully reach children and youth, who face many barriers to receiving those services in the community; and

WHEREAS, Screening, identification, and services systems in schools are inadequate to address the number of children and youth who need mental health support; and

WHEREAS, A collaborative, multidisciplinary school-based and school-linked approach is needed to ensure that Illinois children and youth receive a continuum of mental health prevention, intervention, and treatment services; therefore, be it

RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE NINETY-SECOND GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, THE SENATE CONCURRING HEREIN, that the Illinois Violence Prevention Authority shall convene and administer a multidisciplinary Illinois School/Community Mental Health Task Force; and be it further

RESOLVED, That under the auspices of the Authority, the Task Force shall be responsible for doing the following:

(1) Assessing the status of school-based and school-linked mental health prevention and intervention services and programs for children and youth in Illinois.

(2) Developing and recommending a short-term and long-term plan that takes a coordinated, collaborative, multi-system approach for ensuring that adequate, quality, mental-health-related services and programs are available and accessible to Illinois children and youth. The plan shall include recommendations for public and private funding sources to implement the plan.

(3) Submitting the plan and related recommendations to the Governor's Office and the General Assembly by September 30, 2002.

(4) Monitoring the ongoing implementation of the plan; and be it further

RESOLVED, That the Task Force Membership shall be broad-based, multidisciplinary, and cross-cultural, and shall include a broad representation of mental health stakeholders: State agencies, representatives of the General Assembly, youth and family members, professional organizations and associations, advocacy groups, faith-based practitioners, clinicians, educators, health care providers, and members of the research/scientific community; and be it further

RESOLVED, That at a minimum, the following public and private entities shall be represented on the Task Force: Governor's Office, House and Senate caucuses of Illinois General Assembly, Illinois Attorney General's Office, Illinois Department of Public Health, Illinois State Board of Education, Illinois Department of Human Services, Illinois Department of Children and Family Services, Illinois School Nurses Association, Illinois School Psychologists Association, Illinois School Counselors Association, Illinois Principals Association, Illinois School Social Workers Association, Illinois Association of School Administrators, Large Unit District Association, Illinois Association of Regional Superintendents of Schools, Chicago Public Schools, Illinois Education Association, Illinois Federation of Teachers, Community Behavioral Health Care Association, Mental Health Association in Illinois, Voices for

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Illinois Children, Illinois Federation for Families, Cook County Bureau of Health Services, Illinois Center for Violence Prevention, Illinois Parent Teachers Association (PTA), Equip for Equality, Illinois Coalition for School Health Centers, Obsessive Compulsive Foundation of Metro Chicago, National Alliance for the Mentally Ill (NAMI Illinois), Illinois Psychiatric Society, and Juvenile Justice Commission; and be it further

RESOLVED, That a suitable copy of this Resolution shall be delivered to the Attorney General and the Director of Public Health, who jointly chair the Illinois Violence Prevention Authority.

Adopted by the House, May 22, 2001.

ANTHONY D. ROSSI, Clerk of the House

The foregoing message from the House of Representatives, reporting House Joint Resolution No. 26, was referred to the Committee on Rules.

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has acceded to the request of the Senate for a First Committee of Conference to consider the differences between the two Houses in regard to Senate Amendment No. 1 to a bill of the following title, to-wit:

HOUSE BILL NO. 2917

A bill for AN ACT concerning redistricting.

I am further directed to inform the Senate that the Speaker of the House has appointed as such committee on the part of the House: Representatives Madigan, Art Turner, Holbrook; Tenhouse and Cross.

Action taken by the House, May 24, 2001.

ANTHONY D. ROSSI, Clerk of the House

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 161

A bill for AN ACT in relation to vehicles.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 161.

Concurred in by the House, May 23, 2001.

ANTHONY D. ROSSI, Clerk of the House

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendments to a bill of the following title, to-wit:

HOUSE BILL 269

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A bill for AN ACT in relation to alcoholic liquor.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 269.

Senate Amendment No. 2 to HOUSE BILL NO. 269.

Concurred in by the House, May 23, 2001.

ANTHONY D. ROSSI, Clerk of the House

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 512

A bill for AN ACT concerning mineral rights.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 512.

Concurred in by the House, May 23, 2001.

ANTHONY D. ROSSI, Clerk of the House

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 632

A bill for AN ACT in relation to children.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 632.

Concurred in by the House, May 23, 2001.

ANTHONY D. ROSSI, Clerk of the House

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 681

A bill for AN ACT concerning factory built housing.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 681.

Concurred in by the House, May 23, 2001.

ANTHONY D. ROSSI, Clerk of the House

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the

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House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 863

A bill for AN ACT in relation to victims' rights.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 863.

Concurred in by the House, May 23, 2001.

ANTHONY D. ROSSI, Clerk of the House

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendments to a bill of the following title, to-wit:

HOUSE BILL 1623

A bill for AN ACT in relation to the Attorney General.

Which amendments are as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 1623.

Senate Amendment No. 3 to HOUSE BILL NO. 1623.

Concurred in by the House, May 23, 2001.

ANTHONY D. ROSSI, Clerk of the House

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 1812

A bill for AN ACT concerning organized gangs, which may be referred to as the Severo Anti-gang Amendments of 2001.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 1812.

Concurred in by the House, May 23, 2001.

ANTHONY D. ROSSI, Clerk of the House

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 2276

A bill for AN ACT in relation to health.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 2276.

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Concurred in by the House, May 23, 2001.

ANTHONY D. ROSSI, Clerk of the House

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 2295

A bill for AN ACT concerning criminal law.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 2295.

Concurred in by the House, May 23, 2001.

ANTHONY D. ROSSI, Clerk of the House

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 2300

A bill for AN ACT concerning criminal law.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 2300.

Concurred in by the House, May 23, 2001.

ANTHONY D. ROSSI, Clerk of the House

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 2602

A bill for AN ACT with regard to vehicles.

Which amendment is as follows:

Senate Amendment No. 1 to HOUSE BILL NO. 2602.

Concurred in by the House, May 23, 2001.

ANTHONY D. ROSSI, Clerk of the House

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 3014

A bill for AN ACT concerning radon.

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Which amendment is as follows:
Senate Amendment No. 1 to HOUSE BILL NO. 3014.

Concurred in by the House, May 23, 2001.
ANTHONY D. ROSSI, Clerk of the House

A message from the House by
Mr. Rossi, Clerk:
Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 3137

A bill for AN ACT regarding schools.

Which amendment is as follows:
Senate Amendment No. 1 to HOUSE BILL NO. 3137.

Concurred in by the House, May 23, 2001.
ANTHONY D. ROSSI, Clerk of the House

A message from the House by
Mr. Rossi, Clerk:
Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 3145

A bill for AN ACT concerning presidential electors.

Which amendment is as follows:
Senate Amendment No. 1 to HOUSE BILL NO. 3145.

Concurred in by the House, May 23, 2001.
ANTHONY D. ROSSI, Clerk of the House

A message from the House by
Mr. Rossi, Clerk:
Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the adoption of their amendment to a bill of the following title, to-wit:

HOUSE BILL 3307

A bill for AN ACT in relation to historic preservation.

Which amendment is as follows:
Senate Amendment No. 1 to HOUSE BILL NO. 3307.

Concurred in by the House, May 23, 2001.
ANTHONY D. ROSSI, Clerk of the House

CONSIDERATION OF HOUSE AMENDMENTS TO SENATE BILLS
ON SECRETARY'S DESK

On motion of Senator Lauzen, Senate Bill No. 539, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate

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consideration.

Senator Lauzen moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 57; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Molaro
Munoz
Myers
Noland
Obama
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.

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Walsh, T.
Watson
Weaver
Welch
Woolard
Mr. President

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to Senate Bill No. 539.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Lightford, Senate Bill No. 1329, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Trotter moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 57; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Molaro
Munoz
Myers
Noland
Obama
O'Malley
Parker
Peterson

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Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Woolard
Mr. President

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to Senate Bill No. 1329.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator O'Malley, Senate Bill No. 1522, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator O'Malley moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 56; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpier
Klemm

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Lauzen
 Lightford
 Link
 Luechtefeld
 Madigan, L.
 Madigan, R.
 Mahar
 Molaro
 Munoz
 Myers
 Noland
 Obama
 O'Malley
 Parker
 Peterson
 Petka
 Radogno
 Ronen
 Roskam
 Shadid
 Shaw
 Sieben
 Silverstein
 Smith
 Sullivan
 Syverson
 Trotter
 Viverito
 Walsh, L.
 Walsh, T.
 Watson
 Weaver
 Welch
 Woolard
 Mr. President

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to Senate Bill No. 1522.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Rauschenberger, Senate Bill No. 417, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Rauschenberger moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 57; Nays None.

The following voted in the affirmative:

Bomke
 Bowles
 Burzynski
 Clayborne
 Cronin
 Cullerton
 DeLeo

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del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpier
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Molaro
Munoz
Myers
Noland
Obama
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Woolard
Mr. President

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to Senate Bill No. 417.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Syverson, Senate Bill No. 1276, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

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Senator Syverson moved that the Senate non-concur with the House in the adoption of their amendments to said bill.

Senator Demuzio requested a Ruling from the Chair as to the number of votes required for a non-concurrence motion.

The Chair ruled that a vote of only a majority of those voting is required as a nonconcurrence motion is not final action on a bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 33; Nays 24.

The following voted in the affirmative:

Bomke
Burzynski
Cronin
Dillard
Donahue
Dudycz
Geo-Karis
Hawkinson
Jacobs
Jones, W.
Karpiel
Klemm
Lauzen
Luechtefeld
Madigan, R.
Mahar
Myers
Noland
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Roskam
Shadid
Sieben
Sullivan
Syverson
Walsh, T.
Watson
Weaver
Mr. President

The following voted in the negative:

Bowles
Clayborne
Cullerton
DeLeo
del Valle
Demuzio
Halvorson
Hendon
Jones, E.
Lightford
Link
Madigan, L.

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Molaro
Munoz
Obama
Ronen
Shaw
Silverstein
Smith
Trotter
Viverito
Walsh, L.
Welch
Woolard

The motion prevailed.

And the Senate non-concurred with the House in the adoption of their Amendments numbered 1 and 2 to Senate Bill No. 1276.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Peterson, Senate Bill No. 95, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Peterson moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 57; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Molaro
Munoz

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Myers
Noland
Obama
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Woolard
Mr. President

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to Senate Bill No. 95.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Roskam, Senate Bill No. 281, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Roskam moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 55; Nays 2.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon

[May 24, 2001]

Jacobs
 Jones, E.
 Jones, W.
 Karpier
 Klemm
 Lauzen
 Lightford
 Link
 Luechtefeld
 Madigan, L.
 Madigan, R.
 Mahar
 Molaro
 Munoz
 Myers
 Noland
 Obama
 O'Malley
 Parker
 Peterson
 Petka
 Radogno
 Rauschenberger
 Ronen
 Roskam
 Shadid
 Shaw
 Sieben
 Silverstein
 Smith
 Sullivan
 Syverson
 Trotter
 Viverito
 Walsh, L.
 Walsh, T.
 Watson
 Weaver
 Wooldard
 Mr. President

The following voted in the negative:

Demuzio
 Welch

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to Senate Bill No. 281.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Clayborne, Senate Bill No. 725, with House Amendments numbered 1 and 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Clayborne moved that the Senate concur with the House in the adoption of their amendments to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 57; Nays None.

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The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Molaro
Munoz
Myers
Noland
Obama
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Woolard
Mr. President

[May 24, 2001]



The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendments numbered 1 and 2 to Senate Bill No. 725.

Ordered that the Secretary inform the House of Representatives thereof.

On motion of Senator Shadid, Senate Bill No. 915, with House Amendment No. 2 on the Secretary's Desk, was taken up for immediate consideration.

Senator Shadid moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 56; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Molaro
Munoz
Myers
Noland
Obama
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben

[May 24, 2001]

Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Woolard
Mr. President

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 2 to Senate Bill No. 915.

Ordered that the Secretary inform the House of Representatives thereof.

At the hour of 3:11 o'clock p.m., Senator Dudycz presiding.

On motion of Senator Watson, Senate Bill No. 406, with House Amendment No. 1 on the Secretary's Desk, was taken up for immediate consideration.

Senator Watson moved that the Senate concur with the House in the adoption of their amendment to said bill.

And on that motion, a call of the roll was had resulting as follows:

Yeas 56; Nays None.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.

[May 24, 2001]

Mahar
Molaro
Munoz
Myers
Noland
Obama
O'Malley
Parker
Peterson
Petka
Radogno
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Woolard
Mr. President

The motion prevailed.

And the Senate concurred with the House in the adoption of their Amendment No. 1 to Senate Bill No. 406.

Ordered that the Secretary inform the House of Representatives thereof.

At the hour of 3:15 o'clock p.m., Senator Watson presiding.

CONSIDERATION OF RESOLUTIONS ON SECRETARY'S DESK

Senator Cronin moved that Senate Joint Resolution No. 28, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senator Cronin offered the following amendment and moved its adoption:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Joint Resolution 28 on page 1, by replacing lines 6 through 13 with the following:

"of the School Code; and

WHEREAS, We are disapproving school district requests for waivers relating to substitute certificates because Senate Bill 1293 and House Bill 2425 relate to substitute certificates and have passed both houses of this General Assembly; and

WHEREAS, Many members of the General Assembly recognize the need to re-evaluate the State's student assessment programs and the Senate will be conducting hearings regarding this subject in the next few months, it is strongly encouraged that the waiver request regarding Assessments - Prairie State Achievement Examination be re-submitted

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for consideration in the Fall 2001 waiver request; therefore be it
 RESOLVED, BY THE SENATE OF THE NINETY-SECOND GENERAL ASSEMBLY OF
 THE STATE OF ILLINOIS, THE HOUSE OF REPRESENTATIVES CONCURRING
 HEREIN, that each of the school district waiver requests identified
 below by school district name and by the identifying number and
 subject area of the waiver request as summarized in the report filed
 by the State Board of Education is disapproved:

- (1) Mundelein ESD 75 - Lake, WM 100-1652, substitute
certificates;
- (2) Geneseo CUSD 228 - Henry, WM 100-1657, substitute
certificates;
- (3) Hawthorn CCSD 73 - Lake, WM 100-1658, substitute
certificates;
- (4) Lake Villa CCSD 41 - Lake, WM 100-1667, substitute
certificates;
- (5) Harvard CUSD 50 - McHenry, WM 100-1668, substitute
certificates;
- (6) Sparta CUSD 140 - Randolph, WM 100-1676, substitute
certificates;
- (7) Barrington CUSD 220 - Lake, WM 100-1683, substitute
certificates;
- (8) Niles Community THSD 219 - Cook, WM 100-1695,
substitute certificates;
- (9) Chenoa CUSD 9 - McLean, WM 100-1704-2, substitute
certificates;
- (10) Forest Ridge SD 142 - Cook, WM 100-1713, substitute
certificates;
- (11) Sandwich CUSD 430 - DeKalb, WM 100-1723, substitute
certificates;
- (12) East Prairie SD 73 - Cook, WM 100-1739, substitute
certificates;
- (13) Golf ESD 67 - Cook, WM 100-1755-1, substitute
certificates;
- (14) Burbank SD 111 - Cook, WM 100-1778, substitute
certificates;
- (15) Lemont-Bromberek CSD 113A - Cook, WM 100-1779,
substitute certificates;
- (16) Highland Park THSD 113 - Lake, WM 100-1780, substitute
certificates;
- (17) Johnsburg CUSD 12 - McHenry, WM 100-1781-1, substitute
certificates;
- (18) Meridian CUSD 15 - Macon, WM 100-1786-2, substitute
certificates;
- (19) Mt. Carroll CUD 304 - Carroll, WM 100-1788, substitute
certificates;
- (20) Woodland CCSD 50 - Lake, WM 100-1800, substitute
certificates;
- (21) Century CUSD 100 - Pulaski, WM 100-1809, substitute
certificates;
- (22) Huntley CSD 158 - McHenry, WM 100-1817-3, substitute
certificates;
- (23) Lyons SD 103 - Cook, WM 100-1824, substitute
certificates;
- (24) River Grove SD 85.5 - Cook, WM 100-1825, substitute
certificates;
- (25) Glenview CCSD 34 - Cook, WM 100-1826-1, substitute
certificates;
- (26) Cary CCSD 26 - McHenry, WM 100-1832, substitute
certificates;
- (27) Cass SD 63 - DuPage, WM 100-1833, substitute

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certificates;

(28) McHenry CHSD 156 - McHenry, WM 100-1846, substitute certificates;

(29) Waterloo CUSD 5 - Monroe, WM 100-1848, substitute certificates;

(30) Oak Park ESD 97 - Cook, WM 100-1856, substitute certificates;

(31) Brooklyn UD 188 - St. Clair, WM 100-1857-1, substitute certificates;

(32) Wauconda CUSD 118 - Lake, WM 100-1877, substitute certificates;

(33) Athens CUSD 213 - Menard, WM 100-1645-1, physical education;

(34) Decatur SD 61 - Macon, WM 100-1837, physical education; and

(35) Antioch CHSD 117 - Lake, WM 100-1758-3, assessment - Prairie State Achievement Examination.".

The motion prevailed.

And the amendment was adopted.

Senator Cronin moved that Senate Joint Resolution No. 28, as amended, be adopted.

And on that motion a call of the roll was had resulting as follows:

Yeas 53; Nays 3; Present 1.

The following voted in the affirmative:

Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Karpel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Molaro
Munoz
Myers
Noland
Obama
Parker
Peterson

[May 24, 2001]

Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Woolard
Mr. President

The following voted in the negative:

Geo-Karis
Jones, W.
O'Malley

The following voted present:

Bomke

The motion prevailed.

And the resolution, as amended, was adopted.

Ordered that the Secretary inform the House of Representatives thereof, and ask their concurrence therein.

Senator Syverson moved that Senate Resolution No. 152, on the Secretary's Desk, be taken up for immediate consideration.

The motion prevailed.

Senators Syverson - Philip offered the following amendment:

AMENDMENT NO. 1

AMENDMENT NO. 1. Amend Senate Resolution 152, on page 1, by replacing lines 2 and 3 with the following:

"WHEREAS, Public Law 105-33 established in Subtitle J, the State Children's Health Insurance Program which provides federal funding to states to create programs to provide health insurance for low-income uninsured children; and

WHEREAS, Public Act 90-736, effective August 12, 1998, created the Illinois Children's Health Insurance Program Act and the Illinois program known as KidCare; and

WHEREAS, The Illinois Children's Health Insurance Program Act directs the Illinois Department of Public Aid to provide a program of health benefits and health insurance rebates for children in families with incomes at or below 185% of the federal poverty level and for pregnant women and their infants with incomes up to 200% of the federal poverty level; and

WHEREAS, Presently, there are 153,024 children and pregnant women enrolled in the children's health insurance program; and

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WHEREAS, While the Illinois State Senate has demonstrated its commitment to the health of the children of the State of Illinois we have a further obligation to these same children to ensure the effectiveness and efficiency of the KidCare Program; and

WHEREAS, Like young children, the KidCare program is due for a "check-up" and "physical evaluation"; therefore, be it

RESOLVED, BY THE SENATE OF THE NINETY-SECOND GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, That pursuant to the Illinois State Auditing Act, the Illinois State Senate directs the Auditor General to conduct a program and management audit of the Illinois Department of Public Aid's KidCare program; and be it further

RESOLVED, That the Auditor General, in the course of the program and management audits, is directed to specifically audit and evaluate the following:

1. The Department of Public Aid's compliance with federal and state laws, the State of Illinois' Children's Health Insurance Plan submitted to the Health Care Finance Administration, and rules, regulations and policies adopted by the Department of Public Aid;
2. The Department of Public Aid's adherence to eligibility requirements, including evaluating the eligibility of enrolled children, whether or not the Department enrolls children for benefits prior to verification of eligibility for benefits, the Department's practice of allowing for one-time encounter enrollments, and the Department's adherence to income verification procedures;
3. The effectiveness of the Department's marketing strategies, including the effectiveness of bid and no-bid outreach contracts, broadcast and print advertising and other outreach advertising mechanisms targeted to increase enrollment in the program and the correlation between each strategy and the number of children enrolled that are attributed to that specific contract or strategy;
4. The compliance and effectiveness of all KidCare outreach contracts issued by the Department of Public Aid since the creation of the KidCare program including the amounts of the contracts, the bid status of the contracts, the terms of the contracts, the responsibilities outlined in the contracts, the fulfillment of the contractors' responsibilities, and verification of required contract documentation;
5. The application and enrollment process to ensure that the families' of enrolled children have properly completed applications, which include all proof of information and documentation required pursuant to the KidCare application;
6. Summarize and compare the socio-economic profile of applicants and enrolled children and their families based on information required on the application form;
7. Evaluate the efficiency of the process by which monthly paper eligibility cards are issued to enrollees;
8. Evaluate the effectiveness and efficiency of the eligibility redetermination process;
9. Using recognized public health standards, compare the overall health of enrolled children with the overall health of (i) privately insured children of the same socio-economic status and (ii) uninsured children of the same socio-economic status; and be it further

RESOLVED, That the Auditor General shall report his findings to the Illinois General Assembly by July 1, 2002; and be it further

RESOLVED, That a suitable copy of this preamble and resolution be presented to the Auditor General and the Director of the Department

[May 24, 2001]

of Public Aid.".

Senator Syverson moved the adoption of the foregoing amendment.

The motion prevailed.

And the amendment was adopted.

Senator Syverson moved that Senate Resolution No. 152, as amended, be adopted.

And on that motion a call of the roll was had resulting as follows:

Yeas 50; Nays 6.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Jacobs
Jones, W.
Karpiel
Klemm
Lauzen
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Molaro
Munoz
Myers
Noland
O'Malley
Parker
Peterson
Petka
Radogno
Rauschenberger
Ronen
Roskam
Shadid
Sieben
Silverstein
Sullivan
Syverson
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver

[May 24, 2001]



Welch
Woolard
Mr. President

The following voted in the negative:

del Valle
Hendon
Jones, E.
Shaw
Smith
Trotter

The motion prevailed.
And the resolution, as amended, was adopted.

HOUSE BILL RECALLED

On motion of Senator Molaro, House Bill No. 2099 was recalled from the order of third reading to the order of second reading.

Senators R. Madigan - Molaro - Philip offered the following amendment:

AMENDMENT NO. 2

AMENDMENT NO. 2. Amend House Bill 2099, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Illinois Pension Code is amended by changing Sections 1-106, 2-108, 2-108.1, 2-110, 2-117, 2-119.1, 2-121, 3-110, 3-110.6, 5-236, 7-139.7, 7-139.8, 8-110, 8-113, 8-120, 8-137, 8-138, 8-150.1, 8-158, 8-161, 8-167, 8-168, 8-171, 8-227, 8-230.1, 8-230.7, 8-243.2, 9-121.6, 9-121.10, 9-121.15, 9-134, 9-134.3, 9-146.1, 9-163, 9-179.3, 9-185, 9-186, 9-187, 9-219, 11-125.8, 11-134, 11-134.1, 11-145.1, 11-153, 11-156, 11-164, 11-167, 13-314, 14-103.12, 14-104, 14-105.1, 14-105.7, 14-108, 14-110, 14-111, 14-114, 14-120, 14-123.1, 14-125, 14-128, 14-133, 15-112, 15-135.1, 15-145, 16-127, 16-128, 16-143, 18-112, 18-128, and 18-133 and adding Sections 5-214.2, 5-233.1, 8-226.7, 8-230.9, 8-230.10, 9-121.14, 9-121.16, 9-121.17, 9-134.4, 12-127.7, 14-103.05a, 14-104.12, 14-105.8, 14-110.1, 15-134.6, and 17-114.4 as follows:

(40 ILCS 5/1-106) (from Ch. 108 1/2, par. 1-106)

Sec. 1-106. Payment of distribution other than direct.

(a) The board of trustees of any retirement fund or system operating under this Code may, at the written direction and request of any annuitant, solely as an accommodation to the annuitant, pay the annuity due the annuitant to a bank, savings and loan association, or any other financial institution insured by an agency of the federal government, for deposit to the account of the annuitant, or to a bank, savings and loan association, ~~or trust company, or any person designated as trustee by the annuitant,~~ for deposit in a trust established by the annuitant for his or her benefit ~~with that bank, savings and loan association, or trust company.~~ The annuitant may withdraw the direction at any time.

(b) Beginning January 1, 1993, each pension fund or retirement system operating under this Code may, and to the extent required by federal law shall, at the request of any person entitled to receive a refund, lump-sum benefit, or other nonperiodic distribution from the pension fund or retirement system, pay the taxable portion of that distribution directly to any entity that (1) is designated in writing by the person, (2) is qualified under federal law to accept an

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eligible rollover distribution from a qualified plan, and (3) has agreed to accept the distribution.

(Source: P.A. 87-1265.)

(40 ILCS 5/2-108) (from Ch. 108 1/2, par. 2-108)

Sec. 2-108. Salary. "Salary":

(1) For members of the General Assembly, the total compensation paid to the member by the State for one year of service, including the additional amounts, if any, paid to the member as an officer pursuant to Section 1 of "An Act in relation to the compensation and emoluments of the members of the General Assembly", approved December 6, 1907, as now or hereafter amended.

(2) For the State executive officers specified in Section 2-105, the total compensation paid to the member for one year of service.

(3) For members of the System who are participants under Section 2-117.1, ~~or who are serving as Clerk or Assistant Clerk of the House of Representatives or Secretary or Assistant Secretary of the Senate,~~ the total compensation paid to the member for one year of service, but not to exceed the salary of the highest salaried officer of the General Assembly.

(4) For members of the System who are serving as Clerk or Assistant Clerk of the House of Representatives or Secretary or Assistant Secretary of the Senate, the total compensation paid to the member for one year of service.

However, in the event that federal law results in any participant receiving imputed income based on the value of group term life insurance provided by the State, such imputed income shall not be included in salary for the purposes of this Article.

(Source: P.A. 86-27; 86-273; 86-1028; 86-1488.)

(40 ILCS 5/2-108.1) (from Ch. 108 1/2, par. 2-108.1)

Sec. 2-108.1. Highest salary for annuity purposes.

(a) "Highest salary for annuity purposes" means whichever of the following is applicable to the participant:

(1) For a participant who is a member of the General Assembly on his or her last day of service: the highest salary that is prescribed by law, on the participant's last day of service, for a member of the General Assembly who is not an officer; plus, if the participant was elected or appointed to serve as an officer of the General Assembly for 2 or more years and has made contributions as required under subsection (d) of Section 2-126, the highest additional amount of compensation prescribed by law, at the time of the participant's service as an officer, for members of the General Assembly who serve in that office.

(2) For a participant who holds one of the State executive offices specified in Section 2-105 on his or her last day of service: the highest salary prescribed by law for service in that office on the participant's last day of service.

(3) For a participant who is Clerk or Assistant Clerk of the House of Representatives or Secretary or Assistant Secretary of the Senate on his or her last day of service: the salary received for service in that capacity on the last day of service, ~~but not to exceed the highest salary (including additional compensation for service as an officer) that is prescribed by law on the participant's last day of service for the highest paid officer of the General Assembly.~~

(4) For a participant who is a continuing participant under Section 2-117.1 on his or her last day of service: the salary received for service in that capacity on the last day of service,

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but not to exceed the highest salary (including additional compensation for service as an officer) that is prescribed by law on the participant's last day of service for the highest paid officer of the General Assembly.

(b) The earnings limitations of subsection (a) apply to earnings under any other participating system under the Retirement Systems Reciprocal Act that are considered in calculating a proportional annuity under this Article, except in the case of a person who first became a member of this System before August 22, 1994.

(c) In calculating the subsection (a) earnings limitation to be applied to earnings under any other participating system under the Retirement Systems Reciprocal Act for the purpose of calculating a proportional annuity under this Article, the participant's last day of service shall be deemed to mean the last day of service in any participating system from which the person has applied for a proportional annuity under the Retirement Systems Reciprocal Act.

(Source: P.A. 90-655, eff. 7-30-98.)

(40 ILCS 5/2-110) (from Ch. 108 1/2, par. 2-110)

Sec. 2-110. Service.

(A) "Service" means the period beginning on the day when a person first became a member, and ending on the date under consideration, excluding all intervening periods of nonmembership following resignation or expiration of any term of office.

(B) "Service" includes:

(a) Military service during war by a person who entered such service while a member, whether rendered before or after the expiration of any term of office; plus up to 2 years of military service that need not have immediately followed service as a member, and need not have been served during wartime, provided that the member makes contributions to the System for such service (1) at the rates provided in Section 2-126 based upon the member's rate of compensation on the last date as a participant prior to such military service, or on the first date as a participant after such military service, whichever is greater, plus (2) if payment is made on or after May 1, 1993, an amount determined by the Board to be equal to the employer's normal cost of the benefits accrued for such military service, plus (3) interest at the effective rate from the date of first membership in the System to the date of payment.

The amendment to this subdivision (B)(a) made by this amendatory Act of 1993 shall apply to persons who are active contributors to the System on or after November 30, 1992. A person who was an active contributor to the System on November 30, 1992 but is no longer an active contributor may apply to purchase military credit under this subdivision (B)(a) within 60 days after the effective date of this amendatory Act of 1993; if the person is an annuitant, the resulting increase in annuity shall begin to accrue on the first day of the month following the month in which the required payment is received by the System. The change in the required contribution for purchased military credit made by this amendatory Act of 1993 shall not entitle any person to a refund of contributions already paid.

(b) Service as a judge of a court of this State, but credit for such service is subject to the following conditions: (1) such person shall have been a member for at least 4 years and contributed to the System for service as a judge subsequent to July 8, 1947, at the rates herein provided, including interest at 2% per annum to the date of payment based on the salary in effect during such service; (2) the member was not an eligible member of nor entitled to credit for such service in any other retirement

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system in the State maintained in whole or in part by public contributions; and (3) the last 4 years of service prior to retirement on annuity was rendered while a member.

(c) Service as a participating employee under Articles 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17 or 18 of the Illinois Pension Code. Credit for such service may be established by a member and, if permitted by the credit transfer Section of the appropriate Article, by a former member who is not yet an annuitant, and is subject to the following conditions: (1) that the credits accrued under the above mentioned Articles have been transferred to this System; and (2) that the member has contributed to this System an amount equal to (A) the amount by which the credits transferred to this System under item (1) are less than the sum of (i) the contribution rate in effect for participants at the date of membership in this System multiplied by the salary then in effect for members of the General Assembly for each year of service for which credit is being transferred, plus (ii) the State's share of the normal cost of benefits under this System expressed as a percent of payroll, as determined by the System's actuary as of the date of the participant's membership in this System, multiplied by the salary then in effect for members of the General Assembly, for each year of service for which credit is being transferred, plus (B) {iii} interest on the amount determined under item (A) items-{i}-and {ii}-above at the rate of 6% per annum, compounded annually, from the date of membership to the date of payment by the participant, less-{iv}-the amount transferred to this System on behalf of--the participant--on--account--of service rendered while a participant under the above mentioned Articles.

(d) Service, before October 1, 1975, as an officer elected by the people of Illinois, for which creditable service is required to be transferred from the State Employees' Retirement System to this System by this amendatory Act of 1975.

(e) Service rendered prior to January 1, 1964, as a justice of the peace or police magistrate or as a civil referee in the Municipal Court of Chicago, but credit for such service may not be granted until the member has paid to the System an amount equal to (1) the contribution rate for participants at the date of membership in this System multiplied by the salary then in effect for members of the General Assembly for each year of service for which credit is being transferred, plus (2) the State's share of the normal cost of benefits under this System expressed as a percent of payroll, as determined by the System's actuary as of the date of the participant's membership in this System, multiplied by the salary then in effect for members of the General Assembly, for each year of service for which credit is allowed, plus, (3) interest on (1) and (2) above at 6% per annum compounded annually from the date of membership to the date of payment by the member. However, a participant may not receive more than 6 years of credit for such service nor may any member receive credit under this paragraph for service for which credit has been granted in any other public pension fund or retirement system in the State.

(f) Service before January 16, 1981, as an officer elected by the people of Illinois, for which creditable service is transferred from the State Employees' Retirement System to this System.

(C) Service during any fraction of a month shall be considered as a month of service.

Service includes the total period of time for which a

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participant is elected as a member or officer, even though he or she does not complete the term because of death, resignation, judicial decision, or operation of law, provided that the contributions required under this Article for such entire period of office have been made by or on behalf of the participant. In the case of a participant appointed or elected to fill a vacancy, service includes the total period from January 1 of the year in which his or her service commences to the end of the term in which the vacancy occurs, provided the participant contributes in the year of appointment an amount equal to the contributions that would have been required had the participant received salary for the entire year. The foregoing provisions relating to a participant appointed or elected to fill a vacancy shall not apply if the participant was a member of the other legislative chamber at the time of appointment or election.

(D) Notwithstanding the other provisions of this Section, if application to transfer or establish service credit under paragraph (c) or (e) of subsection (B) of this Section is made between January 1, 1992 and February 1, 1993, the contribution required for such credit shall be an amount equal to (1) the contribution rate in effect for participants at the date of membership in this System multiplied by the salary then in effect for members of the General Assembly for each year of service for which credit is being granted, plus (2) interest thereon at 6% per annum compounded annually, from the date of membership to the date of payment by the member, less (3) any amount transferred to this System on behalf of the member on account of such service credit.

(Source: P.A. 86-27; 86-1028; 87-794; 87-1265.)

(40 ILCS 5/2-117) (from Ch. 108 1/2, par. 2-117)

Sec. 2-117. Participants - Election not to participate.

(a) Every person who was a member on November 1, 1947, or in military service on such date, is subject to the provisions of this system beginning upon such date, unless prior to such date he or she filed with the board a written notice of election not to participate.

Every person who becomes a member after November 1, 1947, and who is then not a participant becomes a participant beginning upon the date of becoming a member unless, within 24 months from that date, he or she has filed with the board a written notice of election not to participate.

(b) A member who has filed notice of an election not to participate (and a former member who has not yet begun to receive a retirement annuity under this Article) may become a participant with respect to the period for which the member elected not to participate upon filing with the board, before July 1, 2002 ~~April 1, 1993~~, a written rescission of the election not to participate. Upon contributing an amount equal to the contributions he or she would have made as a participant from November 1, 1947, or the date of becoming a member, whichever is later, to the date of becoming a participant, with interest at the rate of 4% per annum until the contributions are paid, the participant shall receive credit for service as a member prior to the date of the rescission, both before and after November 1, 1947. The required contributions shall be made before commencement of the retirement annuity; otherwise no credit for service prior to the date of participation shall be granted.

(Source: P.A. 86-273; 87-1265.)

(40 ILCS 5/2-119.1) (from Ch. 108 1/2, par. 2-119.1)

Sec. 2-119.1. Automatic increase in retirement annuity.

(a) A participant who retires after June 30, 1967, and who has not received an initial increase under this Section before the effective date of this amendatory Act of 1991, shall, in January or July next following the first anniversary of retirement, whichever

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occurs first, and in the same month of each year thereafter, but in no event prior to age 60, have the amount of the originally granted retirement annuity increased as follows: for each year through 1971, 1 1/2%; for each year from 1972 through 1979, 2%; and for 1980 and each year thereafter, 3%. Annuitants who have received an initial increase under this subsection prior to the effective date of this amendatory Act of 1991 shall continue to receive their annual increases in the same month as the initial increase.

(b) This subsection (b) does not apply to persons who qualify for and elect to receive the increase provided in subsection (b-1).

Beginning January 1, 1990, for participants who remain in service after attaining 20 years of creditable service, the 3% increases provided under subsection (a) shall begin to accrue on the January 1 next following the date upon which the participant (1) attains age 55, or (2) attains 20 years of creditable service, whichever occurs later, and shall continue to accrue while the participant remains in service; such increases shall become payable on January 1 or July 1, whichever occurs first, next following the first anniversary of retirement. For any person who has service credit in the System for the entire period from January 15, 1969 through December 31, 1992, regardless of the date of termination of service, the reference to age 55 in clause (1) of this subsection (b) shall be deemed to mean age 50. For persons who begin receiving a retirement annuity under this Article on or after January 1, 2000, any increases provided under this subsection (b) for years during which the participant remains in active service shall accrue at the rate of 5% rather than 3%.

(b-1) A person who is an active participant in the System on or after January 1, 2001 may elect to receive a one-time increase in retirement annuity, equal to 5% of the originally granted retirement annuity for each full year of the annuitant's service credit in excess of 20 years. This increase is payable at the same time as the annuitant's initial increase under subsection (a) of this Section and is in addition to that increase.

(c) The foregoing provisions relating to automatic increases are not applicable to a participant who retires before having made contributions (at the rate prescribed in Section 2-126) for automatic increases for less than the equivalent of one full year. However, in order to be eligible for the automatic increases, such a participant may make arrangements to pay to the System the amount required to bring the total contributions for the automatic increase to the equivalent of one year's contributions based upon his or her last salary.

(d) A participant who terminated service prior to July 1, 1967, with at least 14 years of service is entitled to an increase in retirement annuity beginning January, 1976, and to additional increases in January of each year thereafter.

The initial increase shall be 1 1/2% of the originally granted retirement annuity multiplied by the number of full years that the annuitant was in receipt of such annuity prior to January 1, 1972, plus 2% of the originally granted retirement annuity for each year after that date. The subsequent annual increases shall be at the rate of 2% of the originally granted retirement annuity for each year through 1979 and at the rate of 3% for 1980 and thereafter.

(e) Beginning January 1, 1990, all automatic annual increases payable under this Section shall be calculated as a percentage of the total annuity payable at the time of the increase, including previous increases granted under this Article.

(Source: P.A. 86-273; 87-794; 87-1265.)

(40 ILCS 5/2-121) (from Ch. 108 1/2, par. 2-121)

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Sec. 2-121. Survivor's annuity - conditions for payment.

(a) A survivor's annuity shall be payable to a surviving spouse or eligible child (1) upon the death in service of a participant with at least 2 years of service credit, or (2) upon the death of an annuitant in receipt of a retirement annuity, or (3) upon the death of a participant who terminated service with at least 4 years of service credit.

The change in this subsection (a) made by this amendatory Act of 1995 applies to survivors of participants who die on or after December 1, 1994, without regard to whether or not the participant was in service on or after the effective date of this amendatory Act of 1995.

(b) To be eligible for the survivor's annuity, the spouse and the participant or annuitant must have been married for a continuous period of at least one year immediately preceding the date of death, but need not have been married on the day of the participant's last termination of service, regardless of whether such termination occurred prior to the effective date of this amendatory Act of 1985.

(c) The annuity shall be payable beginning on the date of a participant's death, or the first of the month following an annuitant's death, if the spouse is then age 50 or over, or beginning at age 50 if the spouse is then under age 50. If an eligible child or children of the participant or annuitant (or a child or children of the eligible spouse meeting the criteria of item (1), (2), or (3) of subsection (d) of this Section) also survive, and the child or children are under the care of the eligible spouse, the annuity shall begin as of the date of a participant's death, or the first of the month following an annuitant's death, without regard to the spouse's age.

The change to this subsection made by this amendatory Act of 1998 (relating to children of an eligible spouse) applies to the eligible spouse of a participant or annuitant who dies on or after the effective date of this amendatory Act, without regard to whether the participant or annuitant is in service on or after that effective date.

(d) For the purposes of this Section and Section 2-121.1, "eligible child" means a child of the deceased participant or annuitant who is at least one of the following:

(1) unmarried and under the age of 18;

(2) unmarried, a full-time student, and under the age of 22;

(3) dependent by reason of physical or mental disability.

The inclusion of unmarried students under age 22 in the calculation of survivor's annuities by this amendatory Act of 1991 shall apply to all eligible students beginning January 1, 1992, without regard to whether the deceased participant or annuitant was in service on or after the effective date of this amendatory Act of 1991.

Adopted children shall have the same status as children of the participant or annuitant, but only if the proceedings for adoption are commenced at least one year prior to the date of the participant's or annuitant's death.

(e) Remarriage of a surviving spouse prior to attainment of age 55 shall disqualify the surviving spouse from the receipt of a survivor's annuity until July 6, 2000,--if-the-remarriage-occurs-before-the-effective-date-of-this-amendatory-Act-of-the-91st-General-Assembly. A surviving spouse whose survivor's annuity has been terminated due to remarriage may apply for reinstatement of that annuity. The reinstated annuity shall begin to accrue on July 6, 2000, except that if, on July 6, 2000, the annuity is payable to an

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eligible surviving child, payment of the annuity to the surviving spouse shall not be reinstated until the annuity is no longer payable to any eligible surviving child. The reinstated annuity shall include any one-time or annual increases received prior to the date of termination, as well as any increases that would otherwise have accrued from the date of termination to the date of reinstatement. An eligible surviving spouse whose expectation of receiving a survivor's annuity was lost due to remarriage before attainment of age 50 shall also be entitled to reinstatement under this subsection, but the resulting survivor's annuity shall not begin to accrue sooner than upon the surviving spouse's attainment of age 50.

The changes made to this subsection by Public Act 91-887 and this amendatory Act of the 92nd 91st General Assembly (pertaining to remarriage prior-to-age-55) apply without regard to whether the deceased participant or annuitant was in service on or after the effective date of either this amendatory Act.

(Source: P.A. 90-766, eff. 8-14-98; 91-887, eff. 7-6-00.)

(40 ILCS 5/3-110) (from Ch. 108 1/2, par. 3-110)

Sec. 3-110. Creditable service.

(a) "Creditable service" is the time served by a police officer as a member of a regularly constituted police force of a municipality. In computing creditable service furloughs without pay exceeding 30 days shall not be counted, but all leaves of absence for illness or accident, regardless of length, and all periods of disability retirement for which a police officer has received no disability pension payments under this Article shall be counted.

(a-5) Up to 3 years of time during which the police officer receives a disability pension under Section 3-114.1, 3-114.2, 3-114.3, or 3-114.6 shall be counted as creditable service, provided that (i) the police officer returns to active service after the disability for a period at least equal to the period for which credit is to be established and (ii) the police officer makes contributions to the fund based on the rates specified in Section 3-125.1 and the salary upon which the disability pension is based. These contributions may be paid at any time prior to the commencement of a retirement pension. The police officer may, but need not, elect to have the contributions deducted from the disability pension or to pay them in installments on a schedule approved by the board. If not deducted from the disability pension, the contributions shall include interest at the rate of 6% per year, compounded annually, from the date for which service credit is being established to the date of payment. If contributions are paid under this subsection (a-5) in excess of those needed to establish the credit, the excess shall be refunded. This subsection (a-5) applies to persons receiving a disability pension under Section 3-114.1, 3-114.2, 3-114.3, or 3-114.6 on the effective date of this amendatory Act of the 91st General Assembly, as well as persons who begin to receive such a disability pension after that date.

(b) Creditable service includes all periods of service in the military, naval or air forces of the United States entered upon while an active police officer of a municipality, provided that upon applying for a permanent pension, and in accordance with the rules of the board, the police officer pays into the fund the amount the officer would have contributed if he or she had been a regular contributor during such period, to the extent that the municipality which the police officer served has not made such contributions in the officer's behalf. The total amount of such creditable service shall not exceed 5 years, except that any police officer who on July 1, 1973 had more than 5 years of such creditable service shall receive the total amount thereof.

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(b-1) In addition to any creditable service established under subsection (b), creditable service may be granted for up to 24 months of service in the armed forces of the United States that was not immediately preceded by employment as a police officer, but only if the governing authority of the municipality has adopted a resolution or ordinance approving the establishment of creditable service under this subsection (b-1) by police officers of the municipality.

In order to receive creditable service for military service under this subsection (b-1), a police officer must (1) apply to the Fund in writing and provide evidence of the military service that is satisfactory to the Board and (2) pay to the Fund an amount determined by the Fund to be equal to 100% of the estimated actuarial liability to be incurred by the Fund for the benefits arising out of the creditable service to be established.

(c) Creditable service also includes service rendered by a police officer while on leave of absence from a police department to serve as an executive of an organization whose membership consists of members of a police department, subject to the following conditions: (i) the police officer is a participant of a fund established under this Article with at least 10 years of service as a police officer; (ii) the police officer received no credit for such service under any other retirement system, pension fund, or annuity and benefit fund included in this Code; (iii) pursuant to the rules of the board the police officer pays to the fund the amount he or she would have contributed had the officer been an active member of the police department; and (iv) the organization pays a contribution equal to the municipality's normal cost for that period of service.

(d)(1) Creditable service also includes periods of service originally established in another police pension fund under this Article or in the Fund established under Article 7 of this Code for which (i) the contributions have been transferred under Section 3-110.7 or Section 7-139.9 and (ii) any additional contribution required under paragraph (2) of this subsection has been paid in full in accordance with the requirements of this subsection (d).

(2) If the board of the pension fund to which creditable service and related contributions are transferred under Section 3-110.7 or 7-139.9 determines that the amount transferred is less than the true cost to the pension fund of allowing that creditable service to be established, then in order to establish that creditable service the police officer must pay to the pension fund, within the payment period specified in paragraph (3) of this subsection, an additional contribution equal to the difference, as determined by the board in accordance with the rules and procedures adopted under paragraph (6) of this subsection.

(3) Except as provided in paragraph (4), the additional contribution must be paid to the board (i) within 5 years from the date of the transfer of contributions under Section 3-110.7 or 7-139.9 and (ii) before the police officer terminates service with the fund. The additional contribution may be paid in a lump sum or in accordance with a schedule of installment payments authorized by the board.

(4) If the police officer dies in service before payment in full has been made and before the expiration of the 5-year payment period, the surviving spouse of the officer may elect to pay the unpaid amount on the officer's behalf within 6 months after the date of death, in which case the creditable service shall be granted as though the deceased police officer had paid the remaining balance on the day before the date of death.

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(5) If the additional contribution is not paid in full within the required time, the creditable service shall not be granted and the police officer (or the officer's surviving spouse or estate) shall be entitled to receive a refund of (i) any partial payment of the additional contribution that has been made by the police officer and (ii) those portions of the amounts transferred under subdivision (a)(1) of Section 3-110.7 or subdivisions (a)(1) and (a)(3) of Section 7-139.9 that represent employee contributions paid by the police officer (but not the accumulated interest on those contributions) and interest paid by the police officer to the prior pension fund in order to reinstate service terminated by acceptance of a refund.

At the time of paying a refund under this item (5), the pension fund shall also repay to the pension fund from which the contributions were transferred under Section 3-110.7 or 7-139.9 the amount originally transferred under subdivision (a)(2) of that Section, plus interest at the rate of 6% per year, compounded annually, from the date of the original transfer to the date of repayment. Amounts repaid to the Article 7 fund under this provision shall be credited to the appropriate municipality.

Transferred credit that is not granted due to failure to pay the additional contribution within the required time is lost; it may not be transferred to another pension fund and may not be reinstated in the pension fund from which it was transferred.

(6) The Public Employee Pension Fund Division of the Department of Insurance shall establish by rule the manner of making the calculation required under paragraph (2) of this subsection, taking into account the appropriate actuarial assumptions; the police officer's service, age, and salary history; the level of funding of the pension fund to which the credits are being transferred; and any other factors that the Division determines to be relevant. The rules may require that all calculations made under paragraph (2) be reported to the Division by the board performing the calculation, together with documentation of the creditable service to be transferred, the amounts of contributions and interest to be transferred, the manner in which the calculation was performed, the numbers relied upon in making the calculation, the results of the calculation, and any other information the Division may deem useful.

(Source: P.A. 90-460, eff. 8-17-97; 91-887, eff. 7-6-00; 91-939, eff. 2-1-01.)

(40 ILCS 5/3-110.6) (from Ch. 108 1/2, par. 3-110.6)

Sec. 3-110.6. Transfer to Article 14 System.

(a) Any active member of the State Employees' Retirement System who is employed in a position for which he or she earns eligible creditable service as defined in Section 14-110 of this Code an investigator for the Office of the State's Attorneys Appellate Prosecutor or a controlled substance inspector may apply for transfer of all or a portion of his or her creditable service accumulated in any police pension fund under this Article to the State Employees' Retirement System in accordance with Section 14-110. The creditable service shall be transferred only upon payment by the police pension fund to the State Employees' Retirement System of an amount equal to:

(1) the amounts accumulated to the credit of the applicant on the books of the fund for the service to be transferred on the date of transfer; and

(2) employer contributions in an amount equal to the amount determined under item subparagraph (1); and

(3) any interest paid by the applicant in order to

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reinstate that service.

Participation in the police pension fund with respect to the service transferred shall terminate on the date of transfer.

(b) Any ~~person transferring service under subsection (a) such investigator--or--inspector~~ may reinstate service which was terminated by receipt of a refund, by paying to the police pension fund the amount of the refund with interest thereon at the rate of 6% per year, compounded annually, from the date of refund to the date of payment.

(Source: P.A. 90-32, eff. 6-27-97.)

(40 ILCS 5/5-214.2 new)

Sec. 5-214.2. Credit for certain corrections service. A participant in this Fund who has rendered service as a member of the police department of the city for a period of 15 years or more may establish credit, for the various purposes of this Article, for a period of up to 7 years prior to becoming a member, during which the applicant performed corrections work for the county in which the city is principally located, for the State of Illinois, or for the federal government. However, no credit shall be granted under this Section for any corrections service for which the applicant retains credit in any other public employee pension fund or retirement system.

To establish this credit, the applicant must apply in writing and contribute to the Fund an amount to be determined by the Fund, equal to (i) employee contributions for the service to be established, based on the actual salary received by the applicant for that service and the contribution rates then in effect, plus (ii) the corresponding municipal contributions, plus (iii) interest on the amounts in items (i) and (ii) at the rate of 6% per year, compounded annually, from the time the service was completed to the date of payment.

(40 ILCS 5/5-233.1 new)

Sec. 5-233.1. Transfer of creditable service to Article 8 or 11 fund. A person who (i) is an active participant in a fund established under Article 8 or 11 of this Code and (ii) has at least 10 and no more than 22 years of creditable service in this Fund may, within the 90 days following the effective date of this Section, apply for transfer of his or her credits and creditable service accumulated in this Fund to the Article 8 or 11 fund. At the time of the transfer, this Fund shall pay to the Article 8 or 11 fund an amount consisting of:

(1) the amounts credited to the applicant through employee contributions for the service to be transferred, including interest; and

(2) the corresponding municipality credits, including interest, on the books of the Fund on the date of transfer.

Participation in this Fund with respect to the credits transferred shall terminate on the date of transfer.

(40 ILCS 5/5-236) (from Ch. 108 1/2, par. 5-236)

Sec. 5-236. Transfer to Article 14.

(a) ~~Until--January--31,--1994,~~ Any active member of the State Employees' Retirement System who is employed in a position for which he or she earns eligible creditable service as defined in Section 14-110 of this Code ~~a--State--policeman--or--investigator--for--the Secretary--of--State~~ may apply for transfer of all or a portion of his or her creditable service accumulated under this Article to the State Employees' Retirement System in accordance with Section 14-110. At the time of the transfer the Fund shall pay to the State Employees' Retirement System an amount equal to:

(1) the amounts accumulated to the credit of the applicant on the books of the Fund for the service to be transferred on the

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date of transfer; and

(2) the corresponding municipality credits, including interest, on the books of the Fund on the date of transfer; and

(3) any interest paid by the applicant in order to reinstate that service.

Participation in this Fund with respect to the service transferred shall terminate on the date of transfer.

(b) ~~Until January 31, 1994, Any person transferring service under subsection (a) such--State policeman or investigator for the Secretary of State may reinstate service that was terminated by receipt of a refund, by paying to the Fund the amount of the refund with interest thereon at the rate of 6% per year, compounded annually, from the date of refund to the date of payment.~~

~~(c) Within 30 days after the effective date of this amendatory Act of 1993, any active member of the State Employees' Retirement System who was earning eligible creditable service under subdivision (b)(12) of Section 14-110 on January 1, 1992 and who has at least 17 years of creditable service under this Article may apply for transfer of his creditable service accumulated under this Article to the State Employees' Retirement System. At the time of the transfer the Fund shall pay to the State Employees' Retirement System an amount equal to:~~

~~(1) the amounts accumulated to the credit of the applicant on the books of the Fund on the date of transfer; and~~

~~(2) the corresponding municipality credits, including interest, on the books of the Fund on the date of transfer.~~

~~Participation in this Fund shall terminate on the date of transfer. (Source: P.A. 86-1488; 87-1265.)~~

~~(40 ILCS 5/7-139.7) (from Ch. 108 1/2, par. 7-139.7) Sec. 7-139.7. Transfer to Article 14.~~

(a) Until January 31, 1994, any active member of the State Employees' Retirement System who is a State policeman, a conservation police officer, or an investigator for the Secretary of State may apply for transfer of his creditable service accumulated under this Article for service as a sheriff's law enforcement employee, or service as a municipal conservator of the peace, certified under the Police Training Act, to the State Employees' Retirement System. At the time of the transfer the Fund shall pay to the State Employees' Retirement System an amount equal to:

(1) the amounts accumulated to the credit of the applicant for such service on the books of the Fund on the date of transfer; and

(2) the corresponding municipality credits, including interest, on the books of the Fund on the date of transfer; and

(3) any interest paid by the applicant in order to reinstate such service.

Participation in this Fund with respect to the transferred credits shall terminate on the date of transfer.

(b) Until January 31, 1993, any such State policeman, conservation police officer or investigator for the Secretary of State may reinstate service that was terminated by receipt of a refund, by paying to the Fund the amount of the refund with interest thereon at the effective rate from the date of refund to the date of payment.

(c) Until July 1, 2002, any active member of the State Employees' Retirement System who is a State policeman may apply for transfer of all or a portion of his or her creditable service accumulated under this Article for service as a Metropolitan Enforcement Group agent employed by a police department to the State Employees' Retirement System in accordance with Section 14-110. At

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the time of the transfer the Fund shall pay to the State Employees' Retirement System an amount equal to:

(1) the amounts accumulated to the credit of the applicant for the service to be transferred on the books of the Fund on the date of transfer; and

(2) the corresponding municipality credits, including interest, on the books of the Fund on the date of transfer.
Participation in this Fund with respect to the transferred credits shall terminate on the date of transfer.

(Source: P.A. 87-794; 87-850; 87-1265.)

(40 ILCS 5/7-139.8) (from Ch. 108 1/2, par. 7-139.8)

Sec. 7-139.8. Transfer to Article 14 System.

(a) Any active member of the State Employees' Retirement System who is employed in a position for which he or she earns eligible creditable service as defined in Section 14-110 of this Code an investigator--for--the--Office--of--the--State's--Attorneys Appellate Prosecutor--or--a--controlled-substance-inspector may apply for transfer of all or a portion of his or her credits--and creditable service accumulated in this Fund for service as a sheriff's law enforcement employee or service as a municipal conservator of the peace certified under the Police Training Act, to the State Employees' Retirement System in accordance with Section 14-110. The creditable service shall be transferred only upon payment by this Fund to the State Employees' Retirement System of an amount equal to:

(1) the amounts accumulated to the credit of the applicant for the service to be transferred as a sheriff's law enforcement employee, including interest; and

(2) municipality credits based on such service, including interest; and

(3) any interest paid by the applicant to reinstate such service.

Participation in this Fund as to any credits transferred under this Section shall terminate on the date of transfer.

(b) Any person transferring service under subsection (a) such investigator--or--inspector may reinstate credits and creditable service terminated upon receipt of a separation benefit, by paying to the Fund the amount of the separation benefit plus interest thereon at the rate of 6% per year to the date of payment.

(Source: P.A. 90-32, eff. 6-27-97.)

(40 ILCS 5/8-110) (from Ch. 108 1/2, par. 8-110)

Sec. 8-110. Employer. "Employer":

(1) a city of more than 500,000 inhabitants;

(2) or the Board of Education of the such city, with respect to any of its employees who participate in this Fund;

(3) the Chicago Housing Authority, with respect to any of its employees who participate in this Fund subject to the provisions of Section 8-230.9;

(4) the Public Building Commission of the city, with respect to any of its employees who participate in this Fund; and

(5) to which this Article applies, or the Retirement Board.

(Source: Laws 1968, p. 181.)

(40 ILCS 5/8-113) (from Ch. 108 1/2, par. 8-113)

Sec. 8-113. Municipal employee, employee, contributor, or participant. "Municipal employee", "employee", "contributor", or "participant":

(a) Any employee of an employer employed in the classified civil service thereof other than by temporary appointment or in a position excluded or exempt from the classified service by the Civil Service Act, or in the case of a city operating under a personnel ordinance, any employee of an employer employed in the classified or career

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service under the provisions of a personnel ordinance, other than in a provisional or exempt position as specified in such ordinance or in rules and regulations formulated thereunder.

(b) Any employee in the service of an employer before the Civil Service Act came in effect for the employer.

(c) Any person employed by the board.

(d) Any person employed after December 31, 1949, but prior to January 1, 1984, in the service of the employer by temporary appointment or in a position exempt from the classified service as set forth in the Civil Service Act, or in a provisional or exempt position as specified in the personnel ordinance, who meets the following qualifications:

(1) has rendered service during not less than 12 calendar months to an employer as an employee, officer, or official, 4 months of which must have been consecutive full normal working months of service rendered immediately prior to filing application to be included; and

(2) files written application with the board, while in the service, to be included hereunder.

(e) After December 31, 1949, any alderman or other officer or official of the employer, who files, while in office, written application with the board to be included hereunder.

(f) Beginning January 1, 1984, any person employed by an employer other than the Chicago Housing Authority or the Public Building Commission of the city, whether or not such person is serving by temporary appointment or in a position exempt from the classified service as set forth in the Civil Service Act, or in a provisional or exempt position as specified in the personnel ordinance, provided that such person is neither (1) an alderman or other officer or official of the employer, nor (2) participating, on the basis of such employment, in any other pension fund or retirement system established under this Act.

(g) After December 31, 1959, any person employed in the law department of the city, or municipal court or Board of Election Commissioners of the city, who was a contributor and participant, on December 31, 1959, in the annuity and benefit fund in operation in the city on said date, by virtue of the Court and Law Department Employees' Annuity Act or the Board of Election Commissioners Employees' Annuity Act.

After December 31, 1959, the foregoing definition includes any other person employed or to be employed in the law department, or municipal court (other than as a judge), or Board of Election Commissioners (if his salary is provided by appropriation of the city council of the city and his salary paid by the city) -- subject, however, in the case of such persons not participants on December 31, 1959, to compliance with the same qualifications and restrictions otherwise set forth in this Section and made generally applicable to employees or officers of the city concerning eligibility for participation or membership.

(h) After December 31, 1965, any person employed in the public library of the city -- and any other person -- who was a contributor and participant, on December 31, 1965, in the pension fund in operation in the city on said date, by virtue of the Public Library Employees' Pension Act.

(i) After December 31, 1968, any person employed in the house of correction of the city, who was a contributor and participant, on December 31, 1968, in the pension fund in operation in the city on said date, by virtue of the House of Correction Employees' Pension Act.

(j) Any person employed full-time on or after the effective date

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of this amendatory Act of the 92nd General Assembly by the Chicago Housing Authority who has elected to participate in this Fund as provided in subsection (a) of Section 8-230.9.

(k) Any person employed full-time by the Public Building Commission of the city who has elected to participate in this Fund as provided in subsection (d) of Section 8-230.7.

(Source: P.A. 83-802.)

(40 ILCS 5/8-120) (from Ch. 108 1/2, par. 8-120)

Sec. 8-120. Child or children. "Child" or "children": The natural child or children, or any child or children legally adopted by an employee at least one year prior to the date any benefit for the child or children accrues, ~~and so adopted prior to the date the employee attained age 55.~~

(Source: P.A. 84-1028.)

(40 ILCS 5/8-137) (from Ch. 108 1/2, par. 8-137)

Sec. 8-137. Automatic increase in annuity.

(a) An employee who retired or retires from service after December 31, 1959 and before January 1, 1987, having attained age 60 or more, shall, in January of the year after the year in which the first anniversary of retirement occurs, have the amount of his then fixed and payable monthly annuity increased by 1 1/2%, and such first fixed annuity as granted at retirement increased by a further 1 1/2% in January of each year thereafter. Beginning with January of the year 1972, such increases shall be at the rate of 2% in lieu of the aforesaid specified 1 1/2%, and beginning with January of the year 1984 such increases shall be at the rate of 3%. Beginning in January of 1999, such increases shall be at the rate of 3% of the currently payable monthly annuity, including any increases previously granted under this Article. An employee who retires on annuity after December 31, 1959 and before January 1, 1987, but before age 60, shall receive such increases beginning in January of the year after the year in which he attains age 60.

An employee who retires from service on or after January 1, 1987 shall, upon the first annuity payment date following the first anniversary of the date of retirement, or upon the first annuity payment date following attainment of age 60, whichever occurs later, have his then fixed and payable monthly annuity increased by 3%, and such annuity shall be increased by an additional 3% of the original fixed annuity on the same date each year thereafter. Beginning in January of 1999, such increases shall be at the rate of 3% of the currently payable monthly annuity, including any increases previously granted under this Article.

(a-5) Notwithstanding the provisions of subsection (a), upon the first annuity payment date following (1) the third anniversary of retirement, (2) the attainment of age 53, or (3) the date 60 days after the effective date of this amendatory Act of the 92nd General Assembly, whichever occurs latest, the monthly pension of an employee who retires on annuity prior to the attainment of age 60 who has not received an increase under subsection (a) shall be increased by 3%, and such annuity shall be increased by an additional 3% of the current payable monthly annuity, including such increases previously granted under this Article, on the same date each year thereafter. The increases provided under this subsection are in lieu of the increases provided in subsection (a).

(b) ~~Subsections (a) and (a-5) are~~ The foregoing provision is not applicable to an employee retiring and receiving a term annuity, as herein defined, nor to any otherwise qualified employee who retires before he makes employee contributions (at the 1/2 of 1% rate as provided in this Act) for this additional annuity for not less than the equivalent of one full year. Such employee, however, shall make

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arrangement to pay to the fund a balance of such $1/2$ of 1% contributions, based on his final salary, as will bring such $1/2$ of 1% contributions, computed without interest, to the equivalent of or completion of one year's contributions.

Beginning with January, 1960, each employee shall contribute by means of salary deductions $1/2$ of 1% of each salary payment, concurrently with and in addition to the employee contributions otherwise made for annuity purposes.

Each such additional contribution shall be credited to an account in the prior service annuity reserve, to be used, together with city contributions, to defray the cost of the specified annuity increments. Any balance in such account at the beginning of each calendar year shall be credited with interest at the rate of 3% per annum.

Such additional employee contributions are not refundable, except to an employee who withdraws and applies for refund under this Article, and in cases where a term annuity becomes payable. In such cases his contributions shall be refunded, without interest, and charged to such account in the prior service annuity reserve.

(Source: P.A. 90-766, eff. 8-14-98.)

(40 ILCS 5/8-138) (from Ch. 108 1/2, par. 8-138)

Sec. 8-138. Minimum annuities - Additional provisions.

(a) An employee who withdraws after age 65 or more with at least 20 years of service, for whom the amount of age and service and prior service annuity combined is less than the amount stated in this Section, shall from the date of withdrawal, instead of all annuities otherwise provided, be entitled to receive an annuity for life of \$150 a year, plus $1\frac{1}{2}\%$ for each year of service, to and including 20 years, and $1\frac{2}{3}\%$ for each year of service over 20 years, of his highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal.

An employee who withdraws after 20 or more years of service, before age 65, shall be entitled to such annuity, to begin not earlier than upon attained age of 55 years if under such age at withdrawal, reduced by 2% for each full year or fractional part thereof that his attained age is less than 65, plus an additional 2% reduction for each full year or fractional part thereof that his attained age when annuity is to begin is less than 60 so that the total reduction at age 55 shall be 30%.

(b) An employee who withdraws after July 1, 1957, at age 60 or over, with 20 or more years of service, for whom the age and service and prior service annuity combined, is less than the amount stated in this paragraph, shall, from the date of withdrawal, instead of such annuities, be entitled to receive an annuity for life equal to $1\frac{2}{3}\%$ for each year of service, of the highest average annual salary for any 5 consecutive years within the last 10 years of service immediately preceding the date of withdrawal; provided, that in the case of any employee who withdraws on or after July 1, 1971, such employee age 60 or over with 20 or more years of service, shall receive an annuity for life equal to 1.67% for each of the first 10 years of service; 1.90% for each of the next 10 years of service; 2.10% for each year of service in excess of 20 but not exceeding 30; and 2.30% for each year of service in excess of 30, based on the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal.

An employee who withdraws after July 1, 1957 and before January 1, 1988, with 20 or more years of service, before age 60 years is entitled to annuity, to begin not earlier than upon attained age of

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55 years, if under such age at withdrawal, as computed in the last preceding paragraph, reduced 0.25% for each full month or fractional part thereof that his attained age when annuity is to begin is less than 60 if the employee was born before January 1, 1936, or 0.5% for each such month if the employee was born on or after January 1, 1936.

Any employee born before January 1, 1936, who withdraws with 20 or more years of service, and any employee with 20 or more years of service who withdraws on or after January 1, 1988, may elect to receive, in lieu of any other employee annuity provided in this Section, an annuity for life equal to 1.80% for each of the first 10 years of service, 2.00% for each of the next 10 years of service, 2.20% for each year of service in excess of 20 but not exceeding 30, and 2.40% for each year of service in excess of 30, of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal, to begin not earlier than upon attained age of 55 years, if under such age at withdrawal, reduced 0.25% for each full month or fractional part thereof that his attained age when annuity is to begin is less than 60; except that an employee retiring on or after January 1, 1988, at age 55 or over but less than age 60, having at least 35 years of service, or an employee retiring on or after July 1, 1990, at age 55 or over but less than age 60, having at least 30 years of service, or an employee retiring on or after the effective date of this amendatory Act of 1997, at age 55 or over but less than age 60, having at least 25 years of service, shall not be subject to the reduction in retirement annuity because of retirement below age 60.

However, in the case of an employee who retired on or after January 1, 1985 but before January 1, 1988, at age 55 or older and with at least 35 years of service, and who was subject under this subsection (b) to the reduction in retirement annuity because of retirement below age 60, that reduction shall cease to be effective January 1, 1991, and the retirement annuity shall be recalculated accordingly.

Any employee who withdraws on or after July 1, 1990, with 20 or more years of service, may elect to receive, in lieu of any other employee annuity provided in this Section, an annuity for life equal to 2.20% for each year of service if withdrawal is before 60 days after the effective date of this amendatory Act of the 92nd General Assembly, or 2.40% for each year of service if withdrawal is 60 days after the effective date of this amendatory Act of the 92nd General Assembly or later, of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal, to begin not earlier than upon attained age of 55 years, if under such age at withdrawal, reduced 0.25% for each full month or fractional part thereof that his attained age when annuity is to begin is less than 60; except that an employee retiring at age 55 or over but less than age 60, having at least 30 years of service, shall not be subject to the reduction in retirement annuity because of retirement below age 60.

Any employee who withdraws on or after the effective date of this amendatory Act of 1997 with 20 or more years of service may elect to receive, in lieu of any other employee annuity provided in this Section, an annuity for life equal to 2.20%; for each year of service, if withdrawal is before 60 days after the effective date of this amendatory Act of the 92nd General Assembly, or 2.40% for each year of service if withdrawal is 60 days after the effective date of this amendatory Act of the 92nd General Assembly or later, of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal, to begin not earlier than upon attainment of age 55 (age

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50 if the employee has at least 30 years of service), reduced 0.25% for each full month or remaining fractional part thereof that the employee's attained age when annuity is to begin is less than 60; except that an employee retiring at age 50 or over with at least 30 years of service or at age 55 or over with at least 25 years of service shall not be subject to the reduction in retirement annuity because of retirement below age 60.

The maximum annuity payable under part (a) and (b) of this Section shall not exceed 70% of highest average annual salary in the case of an employee who withdraws prior to July 1, 1971, and 75% if withdrawal takes place on or after July 1, 1971 and prior to 60 days after the effective date of this amendatory Act of the 92nd General Assembly, or 80% if withdrawal is 60 days after the effective date of this amendatory Act of the 92nd General Assembly or later. For the purpose of the minimum annuity provided in this Section \$1,500 is considered the minimum annual salary for any year; and the maximum annual salary for the computation of such annuity is \$4,800 for any year before 1953, \$6000 for the years 1953 to 1956, inclusive, and the actual annual salary, as salary is defined in this Article, for any year thereafter.

To preserve rights existing on December 31, 1959, for participants and contributors on that date to the fund created by the Court and Law Department Employees' Annuity Act, who became participants in the fund provided for on January 1, 1960, the maximum annual salary to be considered for such persons for the years 1955 and 1956 is \$7,500.

(c) For an employee receiving disability benefit, his salary for annuity purposes under paragraphs (a) and (b) of this Section, for all periods of disability benefit subsequent to the year 1956, is the amount on which his disability benefit was based.

(d) An employee with 20 or more years of service, whose entire disability benefit credit period expires before attainment of age 55 while still disabled for service, is entitled upon withdrawal to the larger of (1) the minimum annuity provided above, assuming he is then age 55, and reducing such annuity to its actuarial equivalent as of his attained age on such date or (2) the annuity provided from his age and service and prior service annuity credits.

(e) The minimum annuity provisions do not apply to any former municipal employee receiving an annuity from the fund who re-enters service as a municipal employee, unless he renders at least 3 years of additional service after the date of re-entry.

(f) An employee in service on July 1, 1947, or who became a contributor after July 1, 1947 and before attainment of age 70, who withdraws after age 65, with less than 20 years of service for whom the annuity has been fixed under this Article shall, instead of the annuity so fixed, receive an annuity as follows:

Such amount as he could have received had the accumulated amounts for annuity been improved with interest at the effective rate to the date of his withdrawal, or to attainment of age 70, whichever is earlier, and had the city contributed to such earlier date for age and service annuity the amount that it would have contributed had he been under age 65, after the date his annuity was fixed in accordance with this Article, and assuming his annuity were computed from such accumulations as of his age on such earlier date. The annuity so computed shall not exceed the annuity which would be payable under the other provisions of this Section if the employee was credited with 20 years of service and would qualify for annuity thereunder.

(g) Instead of the annuity provided in this Article, an employee having attained age 65 with at least 15 years of service who withdraws from service on or after July 1, 1971 and whose annuity

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computed under other provisions of this Article is less than the amount provided under this paragraph, is entitled to a minimum annuity for life equal to 1% of the highest average annual salary, as salary is defined and limited in this Section for any 4 consecutive years within the last 10 years of service for each year of service, plus the sum of \$25 for each year of service. The annuity shall not exceed 60% of such highest average annual salary.

(g-1) Instead of any other retirement annuity provided in this Article, an employee who has at least 10 years of service and withdraws from service on or after January 1, 1999 may elect to receive a retirement annuity for life, beginning no earlier than upon attainment of age 60, equal to 2.2% if withdrawal is before 60 days after the effective date of this amendatory Act of the 92nd General Assembly or 2.4% if withdrawal is 60 days after the effective date of this amendatory Act of the 92nd General Assembly or later, of final average salary for each year of service, subject to a maximum of 75% of final average salary if withdrawal is before 60 days after the effective date of this amendatory Act of the 92nd General Assembly, or 80% if withdrawal is 60 days after the effective date of this amendatory Act of the 92nd General Assembly or later. For the purpose of calculating this annuity, "final average salary" means the highest average annual salary for any 4 consecutive years in the last 10 years of service.

(h) The minimum annuities provided under this Section shall be paid in equal monthly installments.

(i) The amendatory provisions of part (b) and (g) of this Section shall be effective July 1, 1971 and apply in the case of every qualifying employee withdrawing on or after July 1, 1971.

(j) The amendatory provisions of this amendatory Act of 1985 (P.A. 84-23) relating to the discount of annuity because of retirement prior to attainment of age 60, and to the retirement formula, for those born before January 1, 1936, shall apply only to qualifying employees withdrawing on or after July 18, 1985.

(k) Beginning on January 1, 1999, the minimum amount of employee's annuity shall be \$850 per month for life for the following classes of employees, without regard to the fact that withdrawal occurred prior to the effective date of this amendatory Act of 1998:

(1) any employee annuitant alive and receiving a life annuity on the effective date of this amendatory Act of 1998, except a reciprocal annuity;

(2) any employee annuitant alive and receiving a term annuity on the effective date of this amendatory Act of 1998, except a reciprocal annuity;

(3) any employee annuitant alive and receiving a reciprocal annuity on the effective date of this amendatory Act of 1998, whose service in this fund is at least 5 years;

(4) any employee annuitant withdrawing after age 60 on or after the effective date of this amendatory Act of 1998, with at least 10 years of service in this fund.

The increases granted under items (1), (2) and (3) of this subsection (k) shall not be limited by any other Section of this Act. (Source: P.A. 90-32, eff. 6-27-97; 90-511, eff. 8-22-97; 90-766, eff. 8-14-98.)

(40 ILCS 5/8-150.1) (from Ch. 108 1/2, par. 8-150.1)

Sec. 8-150.1. Minimum annuities for widows. The widow (otherwise eligible for widow's annuity under other Sections of this Article 8) of an employee hereinafter described, who retires from service or dies while in the service subsequent to the effective date of this amendatory provision, and for which widow the amount of widow's annuity and widow's prior service annuity combined, fixed or

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provided for such widow under other provisions of this Article is less than the amount provided in this Section, shall, from and after the date her otherwise provided annuity would begin, in lieu of such otherwise provided widow's and widow's prior service annuity, be entitled to the following indicated amount of annuity:

(a) The widow of any employee who dies while in service on or after the date on which he attains age 60 if the death occurs before July 1, 1990, or on or after the date on which he attains age 55 if the death occurs on or after July 1, 1990, with at least 20 years of service, or on or after the date on which he attains age 50 if the death occurs on or after the effective date of this amendatory Act of 1997 with at least 30 years of service, shall be entitled to an annuity equal to one-half of the amount of annuity which her deceased husband would have been entitled to receive had he withdrawn from the service on the day immediately preceding the date of his death, conditional upon such widow having attained the age of 60 or more years on such date if the death occurs before July 1, 1990, or age 55 or more if the death occurs on or after July 1, 1990, or age 50 or more if the death occurs on or after January 1, 1998 and the employee is age 50 or over with at least 30 years of service or age 55 or over with at least 25 years of service. Except as provided in subsection (k), this widow's annuity shall not, however, exceed the sum of \$500 a month if the employee's death in service occurs before January 23, 1987. The widow's annuity shall not be limited to a maximum dollar amount if the employee's death in service occurs on or after January 23, 1987.

If the employee dies in service before July 1, 1990, and if such widow of such described employee shall not be 60 or more years of age on such date of death, the amount provided in the immediately preceding paragraph for a widow 60 or more years of age, shall, in the case of such younger widow, be reduced by 0.25% for each month that her then attained age is less than 60 years if the employee was born before January 1, 1936 or dies in service on or after January 1, 1988, or by 0.5% for each month that her then attained age is less than 60 years if the employee was born on or after July 1, 1936 and dies in service before January 1, 1988.

If the employee dies in service on or after July 1, 1990, and if the widow of the employee has not attained age 55 on or before the employee's date of death, the amount otherwise provided in this subsection (a) shall be reduced by 0.25% for each month that her then attained age is less than 55 years; except that if the employee dies in service on or after January 1, 1998 at age 50 or over with at least 30 years of service or at age 55 or over with at least 25 years of service, there shall be no reduction due to the widow's age if she has attained age 50 on or before the employee's date of death, and if the widow has not attained age 50 on or before the employee's date of death the amount otherwise provided in this subsection (a) shall be reduced by 0.25% for each month that her then attained age is less than 50 years.

(b) The widow of any employee who dies subsequent to the date of his retirement on annuity, and who so retired on or after the date on which he attained the age of 60 or more years if retirement occurs before July 1, 1990, or on or after the date on which he attained age 55 if retirement occurs on or after July 1, 1990, with at least 20 years of service, or on or after the date on which he attained age 50 if the retirement occurs on or after the effective date of this amendatory Act of 1997 with at least 30 years of service, shall be entitled to an annuity equal to one-half of the amount of annuity which her deceased husband received as of the date of his retirement on annuity, conditional upon such widow having attained the age of 60

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or more years on the date of her husband's retirement on annuity if retirement occurs before July 1, 1990, or age 55 or more if retirement occurs on or after July 1, 1990, or age 50 or more if the retirement on annuity occurs on or after January 1, 1998 and the employee is age 50 or over with at least 30 years of service or age 55 or over with at least 25 years of service. Except as provided in subsection (k), this widow's annuity shall not, however, exceed the sum of \$500 a month if the employee's death occurs before January 23, 1987. The widow's annuity shall not be limited to a maximum dollar amount if the employee's death occurs on or after January 23, 1987, regardless of the date of retirement; provided that, if retirement was before January 23, 1987, the employee or eligible spouse repays the excess spouse refund with interest at the effective rate from the date of refund to the date of repayment.

If the date of the employee's retirement on annuity is before July 1, 1990, and if such widow of such described employee shall not have attained such age of 60 or more years on such date of her husband's retirement on annuity, the amount provided in the immediately preceding paragraph for a widow 60 or more years of age on the date of her husband's retirement on annuity, shall, in the case of such then younger widow, be reduced by 0.25% for each month that her then attained age was less than 60 years if the employee was born before January 1, 1936 or withdraws from service on or after January 1, 1988, or by 0.5% for each month that her then attained age is less than 60 years if the employee was born on or after January 1, 1936 and withdraws from service before January 1, 1988.

If the date of the employee's retirement on annuity is on or after July 1, 1990, and if the widow of the employee has not attained age 55 by the date of the employee's retirement on annuity, the amount otherwise provided in this subsection (b) shall be reduced by 0.25% for each month that her then attained age is less than 55 years; except that if the employee retires on annuity on or after January 1, 1998 at age 50 or over with at least 30 years of service or at age 55 or over with at least 25 years of service, there shall be no reduction due to the widow's age if she has attained age 50 on or before the employee's date of death, and if the widow has not attained age 50 on or before the employee's date of death the amount otherwise provided in this subsection (b) shall be reduced by 0.25% for each month that her then attained age is less than 50 years.

(c) The foregoing provisions relating to minimum annuities for widows shall not apply to the widow of any former municipal employee receiving an annuity from the fund on August 9, 1965 or on the effective date of this amendatory provision, who re-enters service as a municipal employee, unless such employee renders at least 3 years of additional service after the date of re-entry.

(d) In computing the amount of annuity which the husband specified in the foregoing paragraphs (a) and (b) of this Section would have been entitled to receive, or received, such amount shall be the annuity to which such husband would have been, or was entitled, before reduction in the amount of his annuity for the purposes of the voluntary optional reversionary annuity provided for in Sec. 8-139 of this Article, if such option was elected.

(e) (Blank).

(f) (Blank).

(g) The amendatory provisions of this amendatory Act of 1985 relating to annuity discount because of age for widows of employees born before January 1, 1936, shall apply only to qualifying widows of employees withdrawing or dying in service on or after July 18, 1985.

(h) Beginning on January 1, 1999, the minimum amount of widow's annuity shall be \$800 per month for life for the following classes of

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widows, without regard to the fact that the death of the employee occurred prior to the effective date of this amendatory Act of 1998:

(1) any widow annuitant alive and receiving a life annuity on the effective date of this amendatory Act of 1998, except a reciprocal annuity;

(2) any widow annuitant alive and receiving a term annuity on the effective date of this amendatory Act of 1998, except a reciprocal annuity;

(3) any widow annuitant alive and receiving a reciprocal annuity on the effective date of this amendatory Act of 1998, whose employee spouse's service in this fund was at least 5 years;

(4) the widow of an employee with at least 10 years of service in this fund who dies after retirement, if the retirement occurred prior to the effective date of this amendatory Act of 1998;

(5) the widow of an employee with at least 10 years of service in this fund who dies after retirement, if withdrawal occurs on or after the effective date of this amendatory Act of 1998;

(6) the widow of an employee who dies in service with at least 5 years of service in this fund, if the death in service occurs on or after the effective date of this amendatory Act of 1998.

The increases granted under items (1), (2), (3) and (4) of this subsection (h) shall not be limited by any other Section of this Act.

(i) The widow of an employee who retired or died in service on or after January 1, 1985 and before July 1, 1990, at age 55 or older, and with at least 35 years of service credit, shall be entitled to have her widow's annuity increased, effective January 1, 1991, to an amount equal to 50% of the retirement annuity that the deceased employee received on the date of retirement, or would have been eligible to receive if he had retired on the day preceding the date of his death in service, provided that if the widow had not attained age 60 by the date of the employee's retirement or death in service, the amount of the annuity shall be reduced by 0.25% for each month that her then attained age was less than age 60 if the employee's retirement or death in service occurred on or after January 1, 1988, or by 0.5% for each month that her attained age is less than age 60 if the employee's retirement or death in service occurred prior to January 1, 1988. However, in cases where a refund of excess contributions for widow's annuity has been paid by the Fund, the increase in benefit provided by this subsection (i) shall be contingent upon repayment of the refund to the Fund with interest at the effective rate from the date of refund to the date of payment.

(j) If a deceased employee is receiving a retirement annuity at the time of death and that death occurs on or after June 27, 1997, the widow may elect to receive, in lieu of any other annuity provided under this Article, 50% of the deceased employee's retirement annuity at the time of death reduced by 0.25% for each month that the widow's age on the date of death is less than 55; except that if the employee dies on or after January 1, 1998 and withdrew from service on or after June 27, 1997 at age 50 or over with at least 30 years of service or at age 55 or over with at least 25 years of service, there shall be no reduction due to the widow's age if she has attained age 50 on or before the employee's date of death, and if the widow has not attained age 50 on or before the employee's date of death the amount otherwise provided in this subsection (j) shall be reduced by 0.25% for each month that her age on the date of death is less than 50 years. However, in cases where a refund of excess contributions

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for widow's annuity has been paid by the Fund, the benefit provided by this subsection (j) is contingent upon repayment of the refund to the Fund with interest at the effective rate from the date of refund to the date of payment.

(k) For widows of employees who died before January 23, 1987 after retirement on annuity or in service, the maximum dollar amount limitation on widow's annuity shall cease to apply, beginning with the first annuity payment after the effective date of this amendatory Act of 1997; except that if a refund of excess contributions for widow's annuity has been paid by the Fund, the increase resulting from this subsection (k) shall not begin before the refund has been repaid to the Fund, together with interest at the effective rate from the date of the refund to the date of repayment.

(l) In lieu of any other annuity provided in this Article, an eligible spouse of an employee who dies in service at least 60 days after the effective date of this amendatory Act of the 92nd General Assembly with at least 10 years of service shall be entitled to an annuity of 50% of the minimum formula annuity earned and accrued to the credit of the employee at the date of death. For the purposes of this subsection, the minimum formula annuity earned and accrued to the credit of the employee is equal to 2.40% for each year of service of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of death, up to a maximum of 80% of the highest average annual salary. This annuity shall not be reduced due to the age of the employee or spouse. In addition to any other eligibility requirements under this Article, the spouse is eligible for this annuity only if the marriage was in effect for 10 full years or more.

(Source: P.A. 90-32, eff. 6-27-97; 90-511, eff. 8-22-97; 90-766, eff. 8-14-98.)

(40 ILCS 5/8-158) (from Ch. 108 1/2, par. 8-158)

Sec. 8-158. Child's annuity. A child's annuity is payable monthly after the death of an employee parent to the child until the child's attainment of age 18, under the following conditions, if the child was born before the employee attained age 65, and before he withdrew from service:

(a) ~~upon death resulting from injury incurred in the performance of an act of duty;~~

(b) ~~upon death in service from any cause other than injury incurred in the performance of an act of duty, if the employee has at least 4 years of service after the date of his original entry into service, and at least 2 years after the date of his latest re-entry;~~

(b) (e) upon death of an employee who withdraws from service after age 55 (or after age 50 with at least 30 years of service if withdrawal is on or after June 27, 1997) and who has entered upon or is eligible for annuity.

Payment shall be made as provided in Section 8-125.

(Source: P.A. 90-31, eff. 6-27-97; 90-766, eff. 8-14-98.)

(40 ILCS 5/8-161) (from Ch. 108 1/2, par. 8-161)

Sec. 8-161. Ordinary disability benefit. An employee while under age 65 and prior to January 1, 1979, or while under age 70 and after January 1, 1979, who becomes disabled after the effective date as the result of any cause other than injury incurred in the performance of duty, shall be entitled to ordinary disability benefit during such disability, after the first 30 days thereof.

The first payment shall be made not later than one month after the benefit is granted and each subsequent payment shall be made not later than one month after the last preceding payment.

The disability benefit prescribed herein shall cease when the

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first of the following dates shall occur and the employee, if still disabled, shall thereafter be entitled to such annuity as is otherwise provided in this Article:

- (a) the date disability ceases.
- (b) the date the disabled employee attains age 65 for disability commencing prior to January 1, 1979.
- (c) the date the disabled employee attains age 65 for disability commencing prior to attainment of age 60 in the service and after January 1, 1979.
- (d) the date the disabled employee attains the age of 70 for disability commencing after attainment of age 60 in the service and after January 1, 1979.
- (e) the date the payments of the benefit shall exceed in the aggregate, throughout the employee's service, a period equal to 1/4 of the total service rendered prior to the date of disability but in no event more than 5 years. In computing such total service any period during which the employee received ordinary disability benefit shall be excluded.

Any employee whose ordinary disability benefit was terminated after January 1, 1979 by reason of his attainment of age 65 and who continues disabled after age 65 may elect before July 1, 1986 to have such benefits resumed beginning at the time of such termination and continuing until termination is required under this Section as amended by this amendatory Act of 1985. The amount payable to any employee for such resumed benefit for any period shall be reduced by the amount of any retirement annuity paid to such employee under this Article for the same period of time or by any refund paid in lieu of annuity.

Ordinary disability benefit shall be 50% of the employee's salary at the date of disability.

For ordinary disability benefits paid before January 1, 2001, before any payment, an amount equal to less the sum ordinarily deducted from salary for all annuity purposes for such period for which the ordinary disability benefit is made shall be deducted from such payment and credited to the employee as a deduction from salary for that period. The sums so deducted shall be--credited--to--the employee--and--shall be regarded, for annuity and refund purposes, as an amount contributed by him.

For ordinary disability benefits paid on or after January 1, 2001, the fund shall credit sums equal to the amounts ordinarily contributed by an employee for annuity purposes for any period during which the employee receives ordinary disability, and those sums shall be deemed for annuity purposes and purposes of Section 8-173 as amounts contributed by the employee. These amounts credited for annuity purposes shall not be credited for refund purposes.

If a participating employee is eligible for a disability benefit under the federal Social Security Act, the amount of ordinary disability benefit under this Section attributable to employment with the Chicago Housing Authority or the Public Building Commission of the city shall be reduced, but not to less than \$10 per month, by the amount that the employee would be eligible to receive as a disability benefit under the federal Social Security Act, whether or not that federal benefit is based on service as a covered employee under this Article. The reduction shall be effective as of the month the employee is eligible for the social security disability benefit. The Board may make this reduction pending determination of eligibility for the social security disability benefit, if it appears to the Board that the employee may be eligible, and make an appropriate adjustment if necessary after eligibility for the social security disability benefit is determined. If the employee's social security

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disability benefit is reduced or terminated because of a refusal to accept rehabilitation services under the federal Rehabilitation Act of 1973 or the federal Social Security Act or because the employee is receiving a workers' compensation benefit, the ordinary disability benefit under this Section shall be reduced as if the employee were receiving the full social security disability benefit.

The amount of ordinary disability benefit shall not be reduced by reason of any increase in the amount of social security disability benefit that takes effect after the month of the initial reduction under this Section, other than an increase resulting from a correction in the employee's wage records.

(Source: P.A. 84-23.)

(40 ILCS 5/8-167) (from Ch. 108 1/2, par. 8-167)

Sec. 8-167. Restoration of rights.

(1) An employee who has withdrawn as a refund the amounts credited for annuity purposes, and who re-enters service and serves for periods comprising at least 2 years after the date of the last refund paid to him, shall have his annuity rights restored by compliance with the following provisions:

(a) after such 2 year period, he shall repay to the Fund, while in service, in full all refunds received, together with interest at the effective rate from the dates of refund to the date of repayment; or

(b) if payment is not made in a single sum, the repayment may be made in installments by deductions from salary or otherwise in such amounts and manner as the board, by rule, may prescribe, with interest at the effective rate accruing on unpaid balances; or

(c) if the employee withdraws from service or dies in service before full repayment is made, such rights shall not be restored, but the amount, including interest, repaid by him, but without any further interest otherwise normally credited, shall be refunded to him or to his widow, or in the manner provided by the refund provisions of this Article if no widow survives.

(2) A person who is employed full-time by a local labor organization that represents municipal employees and has withdrawn as a refund the amounts credited for annuity purposes may elect to have his or her annuity rights restored by repaying to the Fund in full all refunds received, together with interest at the effective rate from the date of the refund to the date of repayment. Repayment of a refund under this subsection (2) does not require a return to service, and this subsection applies without regard to whether the person is in service on or after the effective date of this amendatory Act of the 92nd General Assembly.

(3) This Section applies also to any person who received a refund from any annuity and benefit fund or pension fund which was merged into and superseded by the annuity and benefit fund provided for in this Article on or after December 31, 1959. Upon repayment such person shall receive credit for all annuity purposes in the annuity and benefit fund provided for in this Article for the period of service covered by such refund.

(4) The amount of refund repayment is considered as salary deductions for age and service annuity and widow's annuity purposes in the case of a male person. In the latter case the amount of refund repayment is allocated in the applicable proportion for age and service and widow's annuity purposes. Such person shall also be credited with city contributions for age and service annuity, and widow's annuity if a male employee, in the amount which would have been credited and accrued if such person had been a participant in and contributor to the annuity and benefit fund provided for in this

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Article during the period of such service on the basis of his salary during such period.

(Source: P.A. 81-1536.)

(40 ILCS 5/8-168) (from Ch. 108 1/2, par. 8-168)

Sec. 8-168. Refunds - Withdrawal before age 55 or with less than 10 years of service.

1. An employee, without regard to length of service, who withdraws before age 55, and any employee with less than 10 years of service who withdraws before age 60, shall be entitled to a refund of the accumulated sums to his credit, as of the date of withdrawal, for age and service annuity and widow's annuity from amounts contributed by him, including interest credited and including amounts contributed for him for age and service and widow's annuity purposes by the city while receiving duty disability benefits; provided that such amounts contributed by the city after December 31, 1981, while the employee is receiving duty disability benefits, and amounts credited to the employee for annuity purposes by the fund after December 31, 2000, while the employee is receiving ordinary disability benefits, shall not be credited for refund purposes. If he is a present employee he shall also be entitled to a refund of the accumulations from any sums contributed by him, and applied to any municipal pension fund superseded by this fund.

2. Upon receipt of the refund, the employee surrenders and forfeits all rights to any annuity or other benefits, for himself and for any other persons who might have benefited through him; provided that he may have such period of service counted in computing the term of his service if he becomes an employee before age 65, excepting as limited by the provisions of paragraph (a) (3) of Section 8-232 of this Article relating to the basis of computing the term of service.

3. Any such employee shall retain such right to a refund of such amounts when he shall apply for same until he re-enters the service or until the amount of annuity shall have been fixed as provided in this Article. Thereafter, no such right shall exist in the case of any such employee.

4. Any such municipal employee who shall have served 10 or more years and who shall not withdraw the amounts aforesaid to which he shall have a right of refund shall have a right to annuity as stated in this Article.

5. Any such municipal employee who shall have served less than 10 years and who shall not withdraw the amounts to which he shall have a right to refund shall have a right to have all such amounts and all other amounts to his credit for annuity purposes on date of his withdrawal from service retained to his credit and improved by interest while he shall be out of the service at the rate of 3 1/2% or 3% per annum (whichever rate shall apply under the provisions of Section 8-155 of this Article) and used for annuity purposes for his benefit and the benefit of any person who may have any right to annuity through him because of his service, according to the provisions of this Article in the event that he shall subsequently re-enter the service and complete the number of years of service necessary to attain a right to annuity; but such sum shall be improved by interest to his credit while he shall be out of the service only until he shall have become 65 years of age.

(Source: P.A. 82-283.)

(40 ILCS 5/8-171) (from Ch. 108 1/2, par. 8-171)

Sec. 8-171. Refund in lieu of annuity. In lieu of an annuity, an employee who withdraws and whose annuity would amount to less than \$800 a month for life, may elect to receive a refund of his accumulated contributions for annuity purposes, based on the amounts contributed by him.

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The widow of any employee, eligible for annuity upon the death of her husband, whose widow's annuity would amount to less than \$800 a month for life, may, in lieu of widow's annuity, elect to receive a refund of the accumulated contributions for annuity purposes, based on the amounts contributed by her deceased employee husband, but reduced by any amounts theretofore paid to him in the form of an annuity or refund out of such accumulated contributions.

Accumulated contributions shall mean the amounts - including the interest credited thereon - contributed by the employee for age and service and widow's annuity to the date of his withdrawal or death, whichever first occurs, including any amounts contributed for him as salary deductions while receiving duty disability benefits, and, if not otherwise included, any accumulations from sums contributed by him and applied to any pension fund superseded by this fund; provided that such amounts contributed by the city after December 31, 1981 while the employee is receiving duty disability benefits and amounts credited to the employee for annuity purposes by the fund after December 31, 2000 while the employee is receiving ordinary disability shall not be included.

The acceptance of such refund in lieu of widow's annuity, on the part of a widow, shall not deprive a child or children of the right to receive a child's annuity as provided for in Sections 8-158 and 8-159 of this Article, and neither shall the payment of a child's annuity in the case of such refund to a widow reduce the amount herein set forth as refundable to such widow electing a refund in lieu of widow's annuity.

(Source: P.A. 91-887, eff. 7-6-00.)

(40 ILCS 5/8-226.7 new)

Sec. 8-226.7. Transfer to Metropolitan Pier and Exposition Authority pension plan.

(a) Until July 1, 2002, any member of the management committee of the Metropolitan Pier and Exposition Authority, as designated by the chief executive officer of the Authority, regardless of whether the member is in service under this Article on or after the effective date of this Section, may apply to the Board for transfer of all of his or her creditable service accumulated under this Fund to the pension plan established for employees and officers of the Metropolitan Pier and Exposition Authority. The creditable service shall be transferred in accordance with the terms of that plan and shall be accompanied by a payment from this Fund to that pension plan, consisting of:

(1) the amounts accumulated to the credit of the applicant for the service to be transferred, including interest, on the books of the Fund on the date of transfer, but excluding any additional or optional credits, which shall be refunded to the applicant; plus

(2) municipality credits computed and credited under this Article, including interest, on the books of the Fund on the date the applicant terminated service under the Fund.

Participation in this Fund as to the credits transferred under this Section terminates on the date of transfer.

(b) For the purpose of transferring credit under this Section, a person may reinstate credits and creditable service terminated upon receipt of a refund, by paying to the Fund, before July 1, 2002, the amount of the refund plus regular interest from the date of the refund to the date of repayment.

(40 ILCS 5/8-227) (from Ch. 108 1/2, par. 8-227)

Sec. 8-227. Service as police officer, firefighter or teacher.

(a) Service rendered by an employee as a police officer and member of the regularly constituted police department of the city, or

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as a firefighter and regular member of the paid fire department of the city, or as a teacher in the public school system in the city shall be counted, for the purposes of this Article, as service rendered as an employee of the city. Salary received for any such service shall be treated, for the purposes of this Article, as salary received for the performance of duty as an employee.

~~(b) Subsection (a) applies. The foregoing provisions shall apply to service rendered after the effective date only if the employee pays to the Fund, prior to his separation from service, an amount equal to what would have accumulated in his or her account from salary deductions as employee contributions, including interest at the effective rate, if such contributions had been made for age and service and spouse's annuity during all of such service; provided, that no service shall be counted or payments received for any period of service for which the employee retains or has not forfeited his or her rights to credit for the same period of service in another annuity and benefit fund, or pension fund, in operation in the city for the benefit of such police officers, firefighters, or teachers. The amount transferred to the Fund under item (1) of Section 5-233.1, if any, shall be credited against the contributions required under this subsection.~~

(Source: P.A. 81-1536.)

(40 ILCS 5/8-230.1) (from Ch. 108 1/2, par. 8-230.1)

Sec. 8-230.1. Right of employees to contribute for certain other service. Any employee in the service, after having made contributions covering a period of 10 or more years to the annuity and benefit fund herein provided for, may elect to pay for and receive credit for all annuity purposes for service theretofore rendered by the employee to the Chicago Transit Authority created by the Metropolitan Transit Authority Act or its predecessor public utilities; provided that the last 5 years of service prior to retirement on annuity shall have been as an employee of the City and a contributor to this Fund. Such service credit may be paid for and granted on the same basis and conditions as are applicable in the case of employees who make payment for past service under the provisions of Section 8-230, but on the assumption that the employee's salary throughout all of his or her service with the Authority or its predecessor public utilities was at the rate of the employee's salary at the date of his or her entrance into the service as a municipal employee. In no event, however, shall such service be credited if the employee has not forfeited and relinquished pension credit for service covering such period under any pension or retirement plan applicable to the Authority or its predecessor public utilities and instituted and maintained by the Authority or its predecessor public utilities for the benefit of its employees.

If the application to establish credit under this Section is received by the Fund on or after the effective date of this amendatory Act of the 92nd General Assembly and before July 1, 2002, the employee need not pay any interest on the employee contributions required to establish credit for service rendered by the employee to the Chicago Transit Authority during the period July 1, 1974 through August 31, 1978. This amendatory Act does not entitle any person to a refund of contributions already paid for credit previously established under this Section.

(Source: P.A. 90-655, eff. 7-30-98.)

(40 ILCS 5/8-230.7)

Sec. 8-230.7. Service rendered to Public Building Commission.

(a) An employee or former employee of the Public Building Commission of the city who has established credit under the Fund with regard to service to an employer other than the Public Building

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Commission of the city may contribute to the Fund and receive credit for all periods of full-time employment with by the Public Building Commission created by the employing city occurring prior to 60 days after the effective date of this amendatory Act, except for those periods for which the employee retains a right to credit in another public pension fund or retirement system established under this Code. Such service credit shall be paid for and granted on the same basis and under the same conditions as are applicable in the case of employees who make payment for past service under Section 8-230, provided that the person must also pay the corresponding employer contributions, and further provided that the contributions and service credit are permitted under Section 415 of the Internal Revenue Code of 1986. The contributions shall be based on the salary actually received by the person from the Commission for that employment.

(b) A person establishing service credit under subsection (a) or electing to participate in the Fund under subsection (d) may, at the same time, reinstate service credit that was terminated through receipt of a refund by repaying to the Fund the amount of the refund plus interest at the effective rate from the date of the refund to the date of repayment.

(c) An eligible person may establish service credit under subsection (a) and reinstate service credit under subsection (b) without returning to active service as an employee under this Article, but the required contributions and repayment must be received by the Fund before the person begins to receive a retirement annuity under this Article.

(d) Within 60 days after beginning full-time employment with the Public Building Commission of the city (or within 60 days after the effective date of this amendatory Act of the 92nd General Assembly, whichever is later), a person having service credits in this Fund or reinstating service credits under subsection (b) may elect to participate in this Fund with respect to that Public Building Commission employment. An employee who participates in this Fund with respect to Public Building Commission employment shall not, with respect to the same period of employment, participate in any other pension plan for employees of the Commission for which contributions are made by the Commission, except that this provision shall not prevent an employee from making elective contributions to a plan of deferred compensation during that period. An election under this subsection (d), once made, is irrevocable.

Participation under this subsection shall be on the same basis and under the same conditions as are applicable in the case of participating employees of the city. Employee contributions shall be based on the salary actually received by the employee for that employment. Employer contributions shall be paid by the Public Building Commission rather than the city, at a rate to be determined by the Retirement Board.

(Source: P.A. 90-766, eff. 8-14-98.)

(40 ILCS 5/8-230.9 new)

Sec. 8-230.9. Service rendered to Chicago Housing Authority.

(a) Within 60 days after beginning full-time employment with the Chicago Housing Authority (or within 60 days after the effective date of this amendatory Act of the 92nd General Assembly, whichever is later), a person having service credits in this Fund or reinstating service credits under subsection (c) may elect to participate in this Fund with respect to that Chicago Housing Authority employment. An employee who participates in this Fund with respect to Chicago Housing Authority employment shall not, with respect to the same period of employment, participate in any other pension plan for

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employees of the Authority for which contributions are made by the Authority, except that this provision shall not prevent an employee from making elective contributions to a plan of deferred compensation during that period. An election under this subsection (a), once made, is irrevocable.

Participation under this subsection shall be on the same basis and under the same conditions as are applicable in the case of participating employees of the city. Employee contributions shall be based on the salary actually received by the employee for that employment. Employer contributions shall be paid by the Chicago Housing Authority rather than the city, at a rate to be determined by the Retirement Board.

(b) An employee or former employee of the Chicago Housing Authority who has established credit under the Fund with regard to service to an employer other than the Chicago Housing Authority may contribute to the Fund and receive credit for all periods of full-time employment with the Chicago Housing Authority occurring prior to 60 days after the effective date of this amendatory Act, except for those periods for which the employee retains a right to credit in another public pension fund or retirement system established under this Code. Such service credit shall be paid for and granted on the same basis and under the same conditions as are applicable in the case of employees who make payment for past service under Section 8-230, provided that the person must also pay the corresponding employer contributions, and further provided that the contributions and service credit are permitted under Section 415 of the Internal Revenue Code of 1986. The contributions shall be based on the salary actually received by the person from the Authority for that employment.

(c) A person establishing service credit under subsection (b) or electing to participate in the Fund under subsection (a) may, at the same time, reinstate service credit that was terminated through receipt of a refund by repaying to the Fund the amount of the refund plus interest at the effective rate from the date of the refund to the date of repayment.

(d) An eligible person may establish service credit under subsection (b) and reinstate service credit under subsection (c) without returning to active service as an employee under this Article, but the required contributions and repayment must be received by the Fund before the person begins to receive a retirement annuity under this Article.

(40 ILCS 5/8-230.10 new)

Sec. 8-230.10. Service rendered to IHDA. An employee with at least 10 years of creditable service in the Fund may establish service credit for up to 7 years of full-time employment by the Illinois Housing Development Authority for which the employee does not have credit in another public pension fund or retirement system.

To establish service credit under this Section, the employee must apply to the Fund in writing by July 1, 2002 and pay to the Fund, at any time before beginning to receive a retirement annuity under this Article, an amount to be determined by the Fund, consisting of (i) employee contributions based on the salary actually received by the person from the Illinois Housing Development Authority for that employment and the contribution rates then in effect for employees of the Fund, (ii) the corresponding employer contributions, and (iii) regular interest on the amounts in items (i) and (ii) from the date of the service to the date of payment.

(40 ILCS 5/8-243.2) (from Ch. 108 1/2, par. 8-243.2)

Sec. 8-243.2. Alternative annuity for city officers.

(a) For the purposes of this Section and Sections 8-243.1 and

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8-243.3, "city officer" means the city clerk, the city treasurer, or an alderman of the city elected by vote of the people, while serving in that capacity or as provided in subsection (f), who has elected to participate in the Fund.

(b) Any elected city officer, while serving in that capacity or as provided in subsection (f), may elect to establish alternative credits for an alternative annuity by electing in writing to make additional optional contributions in accordance with this Section and the procedures established by the board. Such elected city officer may discontinue making the additional optional contributions by notifying the Fund in writing in accordance with this Section and procedures established by the board.

Additional optional contributions for the alternative annuity shall be as follows:

(1) For service after the option is elected, an additional contribution of 3% of salary shall be contributed to the Fund on the same basis and under the same conditions as contributions required under Sections 8-174 and 8-182.

(2) For service before the option is elected, an additional contribution of 3% of the salary for the applicable period of service, plus interest at the effective rate from the date of service to the date of payment. All payments for past service must be paid in full before credit is given. No additional optional contributions may be made for any period of service for which credit has been previously forfeited by acceptance of a refund, unless the refund is repaid in full with interest at the effective rate from the date of refund to the date of repayment.

(c) In lieu of the retirement annuity otherwise payable under this Article, any city officer elected by vote of the people who (1) has elected to participate in the Fund and make additional optional contributions in accordance with this Section, and (2) has attained age 55 ~~60~~ with at least 10 years of service credit, or has attained age 60 ~~65~~ with at least 8 years of service credit, may elect to have his retirement annuity computed as follows: 3% of the participant's salary at the time of termination of service for each of the first 8 years of service credit, plus 4% of such salary for each of the next 4 years of service credit, plus 5% of such salary for each year of service credit in excess of 12 years, subject to a maximum of 80% of such salary. To the extent such elected city officer has made additional optional contributions with respect to only a portion of his years of service credit, his retirement annuity will first be determined in accordance with this Section to the extent such additional optional contributions were made, and then in accordance with the remaining Sections of this Article to the extent of years of service credit with respect to which additional optional contributions were not made.

(d) In lieu of the disability benefits otherwise payable under this Article, any city officer elected by vote of the people who (1) has elected to participate in the Fund, and (2) has become permanently disabled and as a consequence is unable to perform the duties of his office, and (3) was making optional contributions in accordance with this Section at the time the disability was incurred, may elect to receive a disability annuity calculated in accordance with the formula in subsection (c). For the purposes of this subsection, such elected city officer shall be considered permanently disabled only if: (i) disability occurs while in service as an elected city officer and is of such a nature as to prevent him from reasonably performing the duties of his office at the time; and (ii) the board has received a written certification by at least 2 licensed physicians appointed by it stating that such officer is disabled and

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that the disability is likely to be permanent.

(e) Refunds of additional optional contributions shall be made on the same basis and under the same conditions as provided under Sections 8-168, 8-170 and 8-171. Interest shall be credited at the effective rate on the same basis and under the same conditions as for other contributions. Optional contributions shall be accounted for in a separate Elected City Officer Optional Contribution Reserve. Optional contributions under this Section shall be included in the amount of employee contributions used to compute the tax levy under Section 8-173.

(f) The effective date of this plan of optional alternative benefits and contributions shall be July 1, 1990, or the date upon which approval is received from the U.S. Internal Revenue Service, whichever is later.

The plan of optional alternative benefits and contributions shall not be available to any former city officer or employee receiving an annuity from the Fund on the effective date of the plan, unless he re-enters service as an elected city officer and renders at least 3 years of additional service after the date of re-entry. However, a person who holds office as a city officer on June 1, 1995 April-30, 1991 may elect to participate in the plan, to transfer credits into the Fund from other Articles of this Code, and to make the contributions required for prior service, until 30 days after the effective date of this amendatory Act of the 92nd General Assembly ~~the plan takes effect~~, notwithstanding the ending of his term of office prior to that effective date; in the event that the person is already receiving an annuity from this Fund or any other Article of this Code at the time of making this election, the annuity shall be recalculated to include any increase resulting from participation in the plan, with such increase taking effect on the effective date of the election plan.

(Source: P.A. 86-1488; 87-794.)

(40 ILCS 5/9-121.6) (from Ch. 108 1/2, par. 9-121.6)

Sec. 9-121.6. Alternative annuity for county officers.

(a) Any county officer elected by vote of the people may elect to establish alternative credits for an alternative annuity by electing in writing to make additional optional contributions in accordance with this Section and procedures established by the board. Such elected county officer may discontinue making the additional optional contributions by notifying the Fund in writing in accordance with this Section and procedures established by the board.

Additional optional contributions for the alternative annuity shall be as follows:

(1) For service after the option is elected, an additional contribution of 3% of salary shall be contributed to the Fund on the same basis and under the same conditions as contributions required under Sections 9-170 and 9-176.

(2) For service before the option is elected, an additional contribution of 3% of the salary for the applicable period of service, plus interest at the effective rate from the date of service to the date of payment. All payments for past service must be paid in full before credit is given. No additional optional contributions may be made for any period of service for which credit has been previously forfeited by acceptance of a refund, unless the refund is repaid in full with interest at the effective rate from the date of refund to the date of repayment.

(b) In lieu of the retirement annuity otherwise payable under this Article, any county officer elected by vote of the people who ~~(1)~~ has elected to participate in the Fund and make additional optional contributions in accordance with this Section, and withdraws

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from service either (1) before November 30, 2000 having (2)--has attained age 60 with at least 10 years of service credit, or has attained age 65 with at least 8 years of service credit or (2) on or after November 30, 2000 having attained age 55 with at least 10 years of service credit or age 60 with at least 8 years of service credit, may elect to have his retirement annuity computed as follows: 3% of the participant's salary at the time of termination of service for each of the first 8 years of service credit, plus 4% of such salary for each of the next 4 years of service credit, plus 5% of such salary for each year of service credit in excess of 12 years, subject to a maximum of 80% of such salary. To the extent such elected county officer has made additional optional contributions with respect to only a portion of his years of service credit, his retirement annuity will first be determined in accordance with this Section to the extent such additional optional contributions were made, and then in accordance with the remaining Sections of this Article to the extent of years of service credit with respect to which additional optional contributions were not made.

(c) In lieu of the disability benefits otherwise payable under this Article, any county officer elected by vote of the people who (1) has elected to participate in the Fund, and (2) has become permanently disabled and as a consequence is unable to perform the duties of his office, and (3) was making optional contributions in accordance with this Section at the time the disability was incurred, may elect to receive a disability annuity calculated in accordance with the formula in subsection (b). For the purposes of this subsection, such elected county officer shall be considered permanently disabled only if: (i) disability occurs while in service as an elected county officer and is of such a nature as to prevent him from reasonably performing the duties of his office at the time; and (ii) the board has received a written certification by at least 2 licensed physicians appointed by it stating that such officer is disabled and that the disability is likely to be permanent.

(d) Refunds of additional optional contributions shall be made on the same basis and under the same conditions as provided under Section 9-164, 9-166 and 9-167. Interest shall be credited at the effective rate on the same basis and under the same conditions as for other contributions. Optional contributions shall be accounted for in a separate Elected County Officer Optional Contribution Reserve. Optional contributions under this Section shall be included in the amount of employee contributions used to compute the tax levy under Section 9-169.

(e) The effective date of this plan of optional alternative benefits and contributions shall be January 1, 1988, or the date upon which approval is received from the U.S. Internal Revenue Service, whichever is later. The plan of optional alternative benefits and contributions shall not be available to any former county officer or employee receiving an annuity from the Fund on the effective date of the plan, unless he re-enters service as an elected county officer and renders at least 3 years of additional service after the date of re-entry.

(Source: P.A. 85-964.)

(40 ILCS 5/9-121.10) (from Ch. 108 1/2, par. 9-121.10)

Sec. 9-121.10. Transfer to Article 14.

(a) ~~Until--July--1,--1993,~~ Any active member of the State Employees' Retirement System who is employed in a position for which he or she earns eligible creditable service as defined in Section 14-110 of this Code a-State-policeeman may apply for transfer of some or all of his or her creditable service as a member of the County Police Department accumulated under this Article to the State

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Employees' Retirement System in accordance with Section 14-110. At the time of the transfer the Fund shall pay to the State Employees' Retirement System an amount equal to:

- (1) the amounts accumulated to the credit of the applicant on the books of the Fund on the date of transfer for the service to be transferred; and
- (2) the corresponding municipality credits, including interest, on the books of the Fund on the date of transfer; and
- (3) any interest paid by the applicant in order to reinstate such service.

Participation in this Fund with respect to the credits transferred shall terminate on the date of transfer.

(b) ~~Until July 1, 1993, Any person transferring service under subsection (a) such State policeman~~ may reinstate credit for service as a member of the County Police Department that was terminated by receipt of a refund, by paying to the Fund the amount of the refund with interest thereon at the rate of 6% per year, compounded annually, from the date of refund to the date of payment.

(Source: P.A. 87-1265.)

(40 ILCS 5/9-121.14 new)

Sec. 9-121.14. Benefit processors. An employee with at least 5 years of creditable service under this Article may purchase service credit for annuity purposes for up to 5 years of time spent working as a benefits processor for a firm under contract with the Fund, by paying to the Fund before July 1, 2002 an amount equal to 8.5% of the salary received for that work or, if that salary is not determinable, 8.5% of the employee's annual salary rate on the first day of service in the Fund for each year of service credit established under this Section. The employee may not make optional contributions under Section 9-121.6 or 9-179.3 for periods of credit established under this Section.

(40 ILCS 5/9-121.15)

Sec. 9-121.15. Transfer of credit from Article 14 system. A current or former An employee shall be entitled to service credit in the Fund for any creditable service transferred to this Fund from the State Employees' Retirement System under Section 14-105.7 of this Code. Credit under this Fund shall be granted upon receipt by the Fund of the amounts required to be transferred under Section 14-105.7; no additional contribution is necessary.

(Source: P.A. 90-511, eff. 8-22-97.)

(40 ILCS 5/9-121.16 new)

Sec. 9-121.16. Contractual service to the Retirement Board. A person who has rendered continuous contractual services (other than legal services) to the Retirement Board for a period of at least 5 years may establish creditable service in the Fund for up to 10 years of those services by making written application to the Board before July 1, 2002 and paying to the Fund an amount to be determined by the Board, equal to the employee contributions that would have been required if those services had been performed as an employee.

For the purposes of calculating the required payment, the Board may determine the applicable salary equivalent based on the compensation received by the person for performing those contractual services. The salary equivalent calculated under this Section shall not be used for determining final average salary under Section 9-134 or any other provisions of this Code.

A person may not make optional contributions under Section 9-121.6 or 9-179.3 for periods of credit established under this Section.

(40 ILCS 5/9-121.17 new)

Sec. 9-121.17. Transfer to Metropolitan Pier and Exposition

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Authority pension plan.

(a) Until July 1, 2002, any member of the management committee of the Metropolitan Pier and Exposition Authority, as designated by the chief executive officer of the Authority, regardless of whether the member is in service under this Article on or after the effective date of this Section, may apply to the Board for transfer of all of his or her creditable service accumulated under this Fund to the pension plan established for employees and officers of the Metropolitan Pier and Exposition Authority. The creditable service shall be transferred in accordance with the terms of that plan and shall be accompanied by a payment from this Fund to that pension plan, consisting of:

(1) the amounts accumulated to the credit of the applicant for the service to be transferred, including interest, on the books of the Fund on the date of transfer, but excluding any additional or optional credits, which shall be refunded to the applicant; plus

(2) the corresponding employer credits computed and credited under this Article, including interest, on the books of the Fund on the date the applicant terminated service under the Fund.

Participation in this Fund as to the credits transferred under this Section terminates on the date of transfer.

(b) For the purpose of transferring credit under this Section, a person may reinstate credits and creditable service terminated upon receipt of a refund, by paying to the Fund, before July 1, 2002, the amount of the refund plus regular interest from the date of the refund to the date of repayment.

(40 ILCS 5/9-134) (from Ch. 108 1/2, par. 9-134)

Sec. 9-134. Minimum annuity - Additional provisions.

(a) An employee who withdraws after July 1, 1957 at age 60 or more with 20 or more years of service, for whom the amount of age and service and prior service annuity combined is less than the amount stated in this Section from the date of withdrawal, instead of all annuities otherwise provided in this Article, is entitled to receive an annuity for life of an amount equal to 1 2/3% for each year of service, of his highest average annual salary for any 5 consecutive years within the last 10 years of service immediately preceding the date of withdrawal; provided that in the case of any employee who withdraws on or after July 1, 1971, such employee age 60 or over with 20 or more years of service, or who withdraws on or after January 1, 1982 and on or after attainment of age 65 with 10 or more years of service, shall instead receive an annuity for life equal to 1.67% for each of the first 10 years of service; 1.90% for each of the next 10 years of service; 2.10% for each year of service in excess of 20 but not exceeding 30; and 2.30% for each year of service in excess of 30, based on the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal.

An employee who withdraws after July 1, 1957, but prior to January 1, 1988, with 20 or more years of service, before age 60 is entitled to annuity, to begin not earlier than age 55, if under such age at withdrawal, as computed in the last preceding paragraph, reduced 1/2 of 1% for each full month or fractional part thereof that his attained age when annuity is to begin is less than 60 to the end that the total reduction at age 55 shall be 30%, except that an employee retiring at age 55 or over but less than age 60, having at least 35 years of service, shall not be subject to the reduction in his retirement annuity because of retirement below age 60.

An employee who withdraws on or after January 1, 1988, with 20 or

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more years of service and before age 60, is entitled to annuity as computed above, to begin not earlier than age 50 if under such age at withdrawal, reduced 1/2 of 1% for each full month or fractional part thereof that his attained age when annuity is to begin is less than 60, to the end that the total reduction at age 50 shall be 60%, except that an employee retiring at age 50 or over but less than age 60, having at least 30 years of service, shall not be subject to the reduction in retirement annuity because of retirement below age 60.

An employee who withdraws on or after January 1, 1992 but before January 1, 1993, at age 60 or over with 5 or more years of service, may elect, in lieu of any other employee annuity provided in this Section, to receive an annuity for life equal to 2.20% for each of the first 20 years of service, and 2.40% for each year of service in excess of 20, based on the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal. An employee who withdraws on or after January 1, 1992, but before January 1, 1993, on or after attainment of age 55 but before attainment of age 60 with 5 or more years of service, is entitled to elect such annuity, but the annuity shall be reduced 0.25% for each full month or fractional part thereof that his attained age when the annuity is to begin is less than age 60, to the end that the total reduction at age 55 shall be 15%, except that an employee retiring at age 55 or over but less than age 60, having at least 30 years of service, shall not be subject to the reduction in retirement annuity because of retirement below age 60. This annuity benefit formula shall only apply to those employees who are age 55 or over prior to January 1, 1993, and who elect to withdraw at age 55 or over on or after January 1, 1992 but before January 1, 1993.

An employee who withdraws on or after July 1, 1996 but before August 1, 1996, at age 55 or over with 8 or more years of service, may elect, in lieu of any other employee annuity provided in this Section, to receive an annuity for life equal to 2.20% for each of the first 20 years of service, and 2.40% for each year of service in excess of 20, based on the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal, but the annuity shall be reduced by 0.25% for each full month or fractional part thereof that the annuitant's attained age when the annuity is to begin is less than age 60, unless the annuitant has at least 30 years of service.

The maximum annuity under this paragraph (a) shall not exceed 70% of highest average annual salary for any 5 consecutive years within the last 10 years of service in the case of an employee who withdraws prior to July 1, 1971, and 75% of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal if withdrawal takes place on or after July 1, 1971 and prior to January 1, 1988, and 80% of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal if withdrawal takes place on or after January 1, 1988. Fifteen hundred dollars shall be considered the minimum amount of annual salary for any year, and the maximum shall be his salary as defined in this Article, except that for the years before 1957 and subsequent to 1952 the maximum annual salary to be considered shall be \$6,000, and for any year before the year 1953, \$4,800.

(b) Any employee who withdraws on or after July 1, 1985 but prior to January 1, 1988, at age 60 or over with 10 or more years of service, may elect in lieu of the benefit in paragraph (a) to receive an annuity for life equal to 2.00% for each year of service, based on the highest average annual salary for any 4 consecutive years within

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the last 10 years of service immediately preceding the date of withdrawal. An employee who withdraws on or after July 1, 1985, but prior to January 1, 1988, with 10 or more years of service, but before age 60, is entitled to elect such annuity, to begin not earlier than age 55, but the annuity shall be reduced 0.5% for each full month or fractional part thereof that his attained age when the annuity is to begin is less than 60, to the end that the total reduction at age 55 shall be 30%; except that an employee retiring at age 55 or over but less than age 60, having at least 30 years of service, shall not be subject to the reduction in retirement annuity because of retirement below age 60.

An employee who withdraws on or after January 1, 1988, at age 60 or over with 10 or more years of service, may elect, in lieu of the benefit in paragraph (a), to receive an annuity for life equal to 2.20% for each of the first 20 years of service, and 2.4% for each year of service in excess of 20, based on the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal. An employee who withdraws on or after January 1, 1988, with 10 or more years of service, but before age 60, is entitled to elect such annuity, to begin not earlier than age 50, but the annuity shall be reduced 0.5% for each full month or fractional part thereof that his attained age when the annuity is to begin is less than 60, to the end that the total reduction at age 50 shall be 60%, except that an employee retiring at age 50 or over but less than age 60, having at least 30 years of service, shall not be subject to the reduction in retirement annuity because of retirement below age 60.

An employee who withdraws on or after June 30, 2001 with 10 or more years of service may elect, in lieu of any other retirement annuity provided under this Article, to receive an annuity for life, beginning no earlier than upon attainment of age 50, equal to 2.40% of his or her highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding withdrawal, for each year of service. If the employee has less than 30 years of service, the annuity shall be reduced by 0.5% for each full month or remaining fraction thereof that the employee's attained age when the annuity is to begin is less than 60.

The maximum annuity under this paragraph (b) shall not exceed 75% of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal if withdrawal occurs prior to January 1, 1988, or 80% of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal if withdrawal takes place on or after January 1, 1988.

The provisions of this paragraph (b) do not apply to any former County employee receiving an annuity from the fund, who re-enters service as a County employee, unless he renders at least 3 years of additional service after the date of re-entry.

(c) For an employee receiving disability benefit, the salary for annuity purposes under paragraph (a) or (b) of this Section shall, for all periods of disability benefit subsequent to the year 1956, be the amount on which his disability benefit was based.

(d) A county employee with 20 or more years of service, whose entire disability benefit credit period expires before attainment of age 50 (age 55 if expiration occurs before January 1, 1988), while still disabled for service is entitled upon withdrawal to the larger of:

- (1) The minimum annuity provided above, assuming that he is then age 50 (age 55 if expiration occurs before January 1, 1988), and reducing such annuity to its actuarial equivalent at his

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attained age on such date, or

(2) the annuity provided from his age and service and prior service annuity credits.

(e) The minimum annuity provisions above do not apply to any former county employee receiving an annuity from the fund, who re-enters service as a county employee, unless he renders at least 3 years of additional service after the date of re-entry.

(f) Any employee in service on July 1, 1947, or who enters service thereafter before attaining age 65 and withdraws after age 65 with less than 10 years of service for whom the annuity has been fixed under the foregoing Sections of this Article, shall, instead of the annuity so fixed, receive an annuity as follows:

Such amount as he could have received had the accumulated amounts for annuity been improved with interest at the effective rate to the date of withdrawal, or to attainment of age 70, whichever is earlier, and had the county contributed to such earlier date for age and service annuity the amount that it would have contributed had he been under age 65, after the date his annuity was fixed in accordance with this Article, and assuming his annuity were computed from such accumulations as of his age on such earlier date. However those employees who before July 1, 1953, made additional contributions in accordance with this Article, the annuity so computed under this paragraph shall not exceed the annuity which would be payable under the other provisions of this Section if the employee concerned was credited with 20 years of service and would qualify for annuity thereunder.

(g) Instead of the annuity provided in this or any other Section of this Article, an employee having attained age 65 with at least 15 years of service may elect to receive a minimum annual annuity for life equal to 1% of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding retirement for each year of service, plus the sum of \$25 for each year of service provided that no such minimum annual annuity may be greater than 60% of such highest average annual salary.

(h) The annuity is payable in equal monthly installments.

(i) If, by operation of law, a function of a governmental unit, as defined by Section 20-107 of this Code, is transferred in whole or in part to the county in which this Article 9 is created as set forth in Section 9-101, and employees of the governmental unit are transferred as a class to such county, the earnings credits in the retirement system covering the governmental unit which have been validated under Section 20-109 of this Code shall be considered in determining the highest average annual salary for purposes of this Section 9-134.

(j) The annuity being paid to an employee annuitant on July 1, 1988, shall be increased on that date by 1% for each full year that has elapsed from the date the annuity began.

(k) Notwithstanding anything to the contrary in this Article 9, Section 20-131 shall not apply to an employee who withdraws on or after January 1, 1988, but prior to attaining age 55. Therefore, no employee shall be entitled to elect to have the alternative formula previously set forth in Section 20-122 prior to the amendatory Act of 1975 apply to any annuity, the payment of which commenced after January 1, 1988, but prior to such employee's attainment of age 55.

(Source: P.A. 86-272; 87-794.)

(40 ILCS 5/9-134.3)

Sec. 9-134.3. Early retirement incentives.

(a) To be eligible for the benefits provided in this Section, a person must:

(1) be a current contributing member of the Fund

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established under this Article who, on May 1, 1997 and within 30 days prior to the date of retirement, is (i) in active payroll status in a position of employment under this Article or (ii) receiving disability benefits under Section 9-156 or 9-157; or else be eligible under subsection (g);

(2) have not previously retired from the Fund, except as provided under subsection (g);

(3) file with the Board before October 1, 1997 (or the date specified in subsection (g), if applicable); a written application requesting the benefits provided in this Section;

(4) elect to retire under this Section on or after September 1, 1997 and on or before February 28, 1998 (or the date established under subsection (d) or (g), if applicable);

(5) have attained age 55 on or before the date of retirement and before February 28, 1998; and

(6) have at least 10 years of creditable service in the Fund, excluding service in any of the other participating systems under the Retirement Systems Reciprocal Act, by the effective date of the retirement annuity or February 28, 1998, whichever occurs first.

(b) An employee who qualifies for the benefits provided under this Section shall be entitled to the following:

(1) The employee's retirement annuity, as calculated under the other provisions of this Article, shall be increased at the time of retirement by an amount equal to 1% of the employee's average annual salary for the highest 4 consecutive years within the last 10 years of service, multiplied by the employee's number of years of service credit in this Fund up to a maximum of 10 years; except that the total retirement annuity, including any additional benefits elected under Section 9-121.6 or 9-179.3, shall not exceed 80% of that highest average annual salary.

(2) If the employee's retirement annuity is calculated under Section 9-134, the employee shall not be subject to the reduction in retirement annuity because of retirement below age 60 that is otherwise required under that Section.

(c) A person who elects to retire under the provisions of this Section thereby relinquishes his or her right, if any, to have the retirement annuity calculated under the alternative formula formerly set forth in Section 20-122 of the Retirement Systems Reciprocal Act.

(d) In the case of an employee whose immediate retirement could jeopardize public safety or create hardship for the employer, the deadline for retirement provided in subdivision (a)(4) of this Section may be extended to a specified date, no later than August 31, 1998, by the employee's department head, with the approval of the President of the County Board. In the case of an employee who is not employed by a department of the County, the employee's "department head", for the purposes of this Section, shall be a person designated by the President of the County Board.

(e) Notwithstanding Section 9-161, an annuitant who reenters service under this Article after receiving a retirement annuity based on benefits provided under this Section thereby forfeits the right to continue to receive those benefits and shall have his or her retirement annuity recalculated without the benefits provided in this Section.

(f) This Section also applies to the Fund established under Article 10 of this Code.

(g) A person who (1) was a participating employee on November 30, 1996, (2) was laid off on or after December 1, 1996 and before May 1, 1997 due to the elimination of the employee's job or position, (3) meets the requirements of items (3) through (6) of subsection

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(a), and (4) has not been reinstated as a Cook County employee since being laid off is eligible for the benefits provided under this Section. For such a person, the application required under subdivision (a)(3) of this Section must be filed within 60 days after the effective date of this amendatory Act of the 92nd General Assembly, and the date of retirement must be within 60 days after the effective date of this amendatory Act.

In the case of a person eligible under this subsection (g) who began to receive a retirement annuity before the effective date of this amendatory Act, the annuity shall be recalculated to include the increase under this Section, and that increase shall take effect on the first annuity payment date following the date of application.

(Source: P.A. 90-32, eff. 6-27-97.)

(40 ILCS 5/9-134.4 new)

Sec. 9-134.4. Early retirement incentives.

(a) To be eligible for the benefits provided in this Section, a person must:

(1) be a current contributing member of the Fund established under this Article who, on January 1, 2001 and within 30 days prior to the date of retirement, is (i) in active payroll status in a position of employment under this Article or (ii) receiving disability benefits under Section 9-156 or 9-157;

(2) have not previously retired from the Fund;

(3) file with the Board before June 1, 2002 a written application requesting the benefits provided in this Section;

(4) elect to retire under this Section on or after June 1, 2002 and on or before November 30, 2002 (or the date established under subsection (d), if applicable);

(5) have attained age 50 on or before the date of retirement and before November 30, 2002; and

(6) have at least 20 years of creditable service in the Fund, excluding service in any of the other participating systems under the Retirement Systems Reciprocal Act, by the effective date of the retirement annuity or November 30, 2002, whichever occurs first.

(b) An employee who qualifies for the benefits provided under this Section shall be entitled to the following:

(1) The employee's retirement annuity, as calculated under the other provisions of this Article, shall be increased at the time of retirement by an amount equal to 1% of the employee's average annual salary for the highest 4 consecutive years within the last 10 years of service, multiplied by the employee's number of years of service credit in this Fund up to a maximum of 10 years; except that the total retirement annuity, including any additional benefits elected under Section 9-121.6 or 9-179.3, shall not exceed 80% of that highest average annual salary.

(2) If the employee's retirement annuity is calculated under Section 9-134, the employee shall not be subject to the reduction in retirement annuity because of retirement below age 60 that is otherwise required under that Section.

(c) A person who elects to retire under the provisions of this Section thereby relinquishes his or her right, if any, to have the retirement annuity calculated under the alternative formula formerly set forth in Section 20-122 of the Retirement Systems Reciprocal Act.

(d) In the case of an employee whose immediate retirement could jeopardize public safety or create hardship for the employer, the deadline for retirement provided in subdivision (a)(4) of this Section may be extended to a specified date, no later than May 31, 2003, by the employee's department head, with the approval of the President of the County Board. In the case of an employee who is not

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employed by a department of the County, the employee's "department head", for the purposes of this Section, shall be a person designated by the President of the County Board.

(e) Notwithstanding Section 9-161, an annuitant who reenters service under this Article after receiving a retirement annuity based on benefits provided under this Section thereby forfeits the right to continue to receive those benefits and shall have his or her retirement annuity recalculated without the benefits provided in this Section.

(f) This Section also applies to the Fund established under Article 10 of this Code.

(40 ILCS 5/9-146.1) (from Ch. 108 1/2, par. 9-146.1)

Sec. 9-146.1. Minimum annuities for widows. The widow of an employee who retires from service or dies while in the service subsequent to June 11, 1965, who is otherwise eligible for widow's annuity under this Article and for whom the amount of widow's annuity and widow's prior service annuity combined, fixed or provided for such widow under other provisions of this Article 9 is less than the amount hereinafter provided in this Section, shall, from and after the date her otherwise provided annuity would begin, in lieu of such otherwise provided widow's and widow's prior service annuity, be entitled to the following indicated amount of annuity:

(a) The widow, of any employee who dies while in the service on or after the date on which he attains the age of 60 or more years with at least 20 years of service, or 10 or more years of service if death occurs on or after attainment of age 65 and on or after January 1, 1982, shall be entitled to an annuity equal to one-half of the amount of annuity which her deceased husband would have been entitled to receive had he withdrawn from the service on the day immediately preceding the date of his death, conditional upon such widow having attained the age of 60 or more years on such date. Such amount of widow's annuity shall not, however, exceed the sum of \$500 a month if death in service occurs before July 1, 1985.

If such widow of such described employee shall not be 60 or more years of age on such date of death, the amount provided in the immediately preceding paragraph for a widow 60 or more years of age, shall, in the case of such younger widow, be reduced by 1/2 of 1 per cent for each month that her then attained age is less than 60 years; except that such younger widow of an employee who dies while in service on or after July 1, 1985 with at least 30 years of service, shall not be subject to the reduction in widow's annuity because of her age less than 60 on the date of the employee's death.

(b) The widow, of any employee who dies subsequent to the date of his retirement on annuity, and who so retired on or after the date on which he attained the age of 60 or more years with at least 20 years of service, or 10 or more years of service if retirement occurs on or after attainment of age 65 and on or after January 1, 1982, shall be entitled to an annuity equal to one-half of the amount of annuity which her deceased husband received as of the date of his retirement on annuity, conditional upon such widow having attained the age of 60 or more years on the date of her husband's retirement on annuity. Such amount of widow's annuity shall not, however, exceed the sum of \$500 a month if the death occurs before the effective date of this amendatory Act of 1991.

If such widow of such described employee shall not have attained such age of 60 or more years on such date of her husband's retirement on annuity, the amount provided in the immediately preceding paragraph for a widow 60 or more years of age on the date of her husband's retirement on annuity, shall, in the case of such then younger widow, be reduced by 1/2 of 1 per cent for each month that

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her then attained age was less than 60 years; except that such younger widow of an employee retiring on or after July 1, 1985 with at least 30 years of service, shall not be subject to the reduction in widow's annuity because of her age less than 60 on the date of the employee's retirement.

(c) The foregoing provisions relating to minimum annuities for widows shall not apply to the widow of any former county employee receiving an annuity from the Fund on June 11, 1965, who re-enters service as a county employee, unless such employee renders at least 3 years of additional service after the date of re-entry.

(d) An annuity being paid to a surviving spouse on January 1, 1984 shall be increased by 10% and shall thereafter be paid at the increased rate until the termination of the annuity by death or other cause. The annuity for a qualifying widow shall not exceed \$500 per month.

(e) The widow of any employee who dies while in service on or after July 1, 1985 but prior to January 1, 1988, and the widow of an employee who retires on or after July 1, 1985 but prior to January 1, 1988 with at least 10 years of service, and the widow of an employee who retires on or after January 1, 1984 but prior to July 1, 1985 with at least 30 years of service, shall be entitled to an annuity equal to one-half of the amount of annuity which her deceased husband would have received had he retired immediately prior to his death or one-half the amount of the originally granted retirement annuity, whichever is applicable. Such widow's annuity will be reduced 0.5% for each month that the widow's attained age is less than age 60 on the date of the employee's death in service or retirement if the employee's death in service or retirement is before January 1, 1988; except that such younger widow of an employee with at least 30 years of service shall not be subject to the reduction in widow's annuity because of her age less than 60 on the date of the employee's death in service or retirement.

The widow of an employee who dies in service on or after January 1, 1988, or retires on or after January 1, 1988 with at least 10 years of service, shall be entitled to an annuity equal to 1/2 of the amount of annuity which her deceased husband would have received had he retired immediately prior to his death or 1/2 of the amount of the annuity which her deceased husband received as of the date of his death, whichever is applicable. Such widow's annuity shall be reduced 0.5% for each month that the widow's attained age is less than age 60 on the date of the employee's death if employee's death in service or retirement is after January 1, 1988; except that such younger widow of an employee with at least 30 years of service shall not be subject to the reduction in widow's annuity because of her age on the date of the employee's death.

In lieu of any other annuity provided by this Article, the widow of an employee who dies in service on or after January 1, 1992, or retires on or after January 1, 1992 with at least 10 years of service, shall be entitled to an annuity equal to 1/2 of the amount of annuity which her deceased husband would have received had he retired immediately prior to his death or 1/2 of the amount of the annuity which her deceased husband received as of the date of his death, whichever is applicable. Such widow's annuity shall be reduced 0.5% for each month that the widow's attained age is less than age 55 on the date of the employee's death; except that such younger widow of an employee with at least 30 years of service shall not be subject to the reduction in widow's annuity because of her age on the date of the employee's death.

In lieu of any other annuity provided by this Article, the widow of an employee who dies in service or withdraws from service on or

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after January 1, 1992 but before January 1, 1993 at age 55 or over with at least 5 but less than 10 years of service, shall be entitled to an annuity equal to half of the amount of annuity which her deceased husband would have received had he retired immediately prior to his death or half of the amount of the annuity which her deceased husband received as of the date of his death, whichever is applicable. This widow's annuity shall be reduced 0.5% for each month that the widow's attained age is less than 60 on the date of the employee's death.

However, in the case of an employee dying in service, the amount of widow's annuity shall not be less than 10% of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal. The maximum amount of annuity under this paragraph shall not be limited to a dollar maximum. The provisions of this paragraph shall not apply to the widow of any former County employee receiving an annuity from the fund who re-enters service as a County employee, unless such employee renders at least 3 years of additional service after the date of re-entry.

(f) An annuity being paid to a surviving spouse on July 1, 1988, shall be increased on that date by 1% for each full year that has elapsed from the date the annuity began.

(g) In lieu of any other annuity provided under this Article, if the deceased employee was receiving a retirement annuity at the time of his death and that death occurs on or after January 1, 1993, the widow's annuity shall be 50% of the deceased employee's retirement annuity at the time of death, reduced by 0.5% for each month that the widow's age on the date of death is less than 55, except that the reduction does not apply if the deceased employee had at least 30 years of service.

(h) In lieu of any other annuity provided under this Article, the widow of an employee who dies in service on or after January 1, 2002 or has at least 10 years of service and dies on or after January 1, 2002 while receiving an annuity shall be entitled to a widow's annuity equal to 65% of the amount of annuity which her deceased husband would have received had he retired immediately prior to his death or 65% of the amount of the annuity which her deceased husband received as of the date of his death, whichever is applicable. This widow's annuity shall be reduced by 0.5% for each month that the widow's age on the date of the employee's death is less than 55, unless the deceased husband had at least 30 years of service.

(Source: P.A. 86-273; 87-794; 87-1265.)

(40 ILCS 5/9-163) (from Ch. 108 1/2, par. 9-163)

Sec. 9-163. Restoration of rights. An employee who has withdrawn as a refund the amounts credited for annuity purposes, and who re-enters service and serves for periods comprising at least 2 years after the date of the last refund paid to him, may have his annuity rights restored by making application to the board in writing for the privilege of reinstating such rights and by compliance with the following provisions:

(a) The employee shall repay in full to the fund while in service all refunds received, together with interest at the effective rate from the application date of such refund or refunds to the date of repayment.

(b) If payment is not made in a single sum, the repayment may be made in installments by deductions from salary or otherwise in such amounts as the employee may elect to pay, with interest at the effective rate accruing on unpaid balances.

(c) If the employee withdraws from service or dies in service before full repayment is made, or during the required

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return to service, the amounts repaid, including interest repaid but without further interest, shall be refunded in accordance with the refund provisions of this Article.

For an employee who applies to the Fund to reinstate credit and repay a refund between January 1, 1993 and March 1, 1993, the 2 year minimum period of subsequent service required under item (a) shall be instead a period of 6 months.

A person who establishes service credit under Section 9-121.16 may, at the same time, reinstate credit in this Fund and repay a refund without a return to service, notwithstanding the other provisions of this Section.

(Source: P.A. 87-1265.)

(40 ILCS 5/9-179.3) (from Ch. 108 1/2, par. 9-179.3)

Sec. 9-179.3. Optional plan of additional benefits and contributions.

(a) While this plan is in effect, an employee may establish additional optional credit for additional optional benefits by electing in writing at any time to make additional optional contributions. The employee may discontinue making the additional optional contributions at any time by notifying the fund in writing.

(b) Additional optional contributions for the additional optional benefits shall be as follows:

(1) For service after the option is elected, an additional contribution of 3% of salary shall be contributed to the fund on the same basis and under the same conditions as contributions required under Sections 9-170 and 9-176.

(2) For service before the option is elected, an additional contribution of 3% of the salary for the applicable period of service, plus interest at the effective rate from the date of service to the date of payment. All payments for past service must be paid in full before credit is given. No additional optional contributions may be made for any period of service for which credit has been previously forfeited by acceptance of a refund, unless the refund is repaid in full with interest at the effective rate from the date of refund to the date of repayment.

(c) Additional optional benefits shall accrue for all periods of eligible service for which additional contributions are paid in full. The additional benefit shall consist of an additional 1% for each year of service for which optional contributions have been paid, based on the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal, to be added to the employee retirement annuity benefits as otherwise computed under this Article. The calculation of these additional benefits shall be subject to the same terms and conditions as are used in the calculation of retirement annuity under Section 9-134. The additional benefit shall be included in the calculation of the automatic annual increase in annuity, and in the calculation of widow's annuity, where applicable. However no additional benefits will be granted which produce a total annuity greater than the applicable maximum established for that type of annuity in this Article, and additional benefits shall not apply to any benefit computed under Section 9-128.1.

(d) Refunds of additional optional contributions shall be made on the same basis and under the same conditions as provided under Sections 9-164, 9-166 and 9-167. Interest shall be credited at the effective rate on the same basis and under the same conditions as for other contributions.

(e) Optional contributions shall be accounted for in a separate Optional Contribution Reserve.

(f) The tax levy, computed under Section 9-169, shall be based

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on employee contributions including the amount of optional additional employee contributions.

(g) Service eligible under this Section may include only service as an employee of the County as defined in Section 9-108, and subject to Sections 9-219 and 9-220. No service granted under Section 9-121.1, 9-121.4 or 9-179.2 shall be eligible for optional service credit. No optional service credit may be established for any military service, or for any service under any other Article of this Code. Optional service credit may be established for any period of disability paid from this fund, if the employee makes additional optional contributions for such periods of disability.

(h) This plan of optional benefits and contributions shall not apply to any former county employee receiving an annuity from the fund, who re-enters service as a County employee, unless he renders at least 3 years of additional service after the date of re-entry.

(i) The effective date of the optional plan of additional benefits and contributions shall be July 1, 1985, or the date upon which approval is received from the Internal Revenue Service, whichever is later.

(j) This plan of additional benefits and contributions shall expire July 1, 2005 2002. No additional contributions may be made after that date, and no additional benefits will accrue after that date.

(Source: P.A. 90-32, eff. 6-27-97; 90-460, eff. 8-17-97.)

(40 ILCS 5/9-185) (from Ch. 108 1/2, par. 9-185)

Sec. 9-185. Board created.

(a) A board of 9 7 members shall constitute the board of trustees authorized to carry out the provisions of this Article. The board of trustees shall be known as "The Retirement Board of the County Employees' Annuity and Benefit Fund of County". The board shall consist of 2 members appointed and 7 5 members elected as hereinafter prescribed.

(b) The appointed members shall be appointed as follows: One member shall be appointed by the comptroller of such county, who may be the comptroller or some person chosen by him from among employees of the county, who are versed in the affairs of the comptroller's office; and one member shall be appointed by the treasurer of such county, who may be the treasurer or some person chosen by him from among employees of the County who are versed in the affairs of the treasurer's office.

The member appointed by the comptroller shall hold office for a term ending on December 1st of the first year following the year of appointment. The member appointed by the county treasurer shall hold office for a term ending on December 1st of the second year following the year of appointment.

Thereafter, each appointed member shall be appointed by the officer that appointed his predecessor for a term of 2 years.

(c) Three county employee members of the board shall be elected as follows: within 30 days from and after the date upon which this Article comes into effect in the county, the clerk of the county shall arrange for and hold an election. One employee shall be elected for a term ending on the first day in the month of December of the first year next following the effective date; one for a term ending on December 1st of the following year; and one for a term ending December 1st of the second following year.

(d) Beginning December 1, 1988, and every 3 years thereafter, an annuitant member of the board shall be elected as follows: the board shall arrange for and hold an election in which only those participants who are currently receiving retirement ~~or--disability~~ benefits under this Article shall be eligible to vote and be elected.

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Each such member shall be elected to a term ending on the first day in the month of December of the third following year.

(d-1) Beginning December 1, 2001, and every 3 years thereafter, an annuitant member of the board shall be elected as follows: the board shall arrange for and hold an election in which only those participants who are currently receiving retirement benefits under this Article shall be eligible to vote and be elected. Each such member shall be elected to a term ending on the first day in the month of December of the third following year. Until December 1, 2001, the position created under this subsection (d-1) may be filled by the board as in the case of a vacancy.

(e) Beginning December 1, 1988, if a Forest Preserve District Employees' Annuity and Benefit Fund shall be in force in such county and the board of this fund is charged with administering the affairs of such annuity and benefit fund for employees of such forest preserve district, a forest preserve district member of the board shall be elected as of December 1, 1988, and every 3 years thereafter as follows: the board shall arrange for and hold an election in which only those employees of such forest preserve district who are contributors to the annuity and benefit fund for employees of such forest preserve district shall be eligible to vote and be elected. Each such member shall be elected to a term ending on the first day in the month of December of the third following year.

(f) Beginning December 1, 2001, and every 3 years thereafter, if a Forest Preserve District Employees' Annuity and Benefit Fund is in force in the county and the board of this Fund is charged with administering the affairs of that annuity and benefit fund for employees of the forest preserve district, a forest preserve district annuitant member of the board shall be elected as follows: the board shall arrange for and hold an election in which only those participants who are currently receiving retirement benefits under Article 10 shall be eligible to vote and be elected. Each such member shall be elected to a term ending on the first day in the month of December of the third following year. Until December 1, 2001, the position created under this subsection (f) may be filled by the board as in the case of a vacancy.

(Source: P.A. 85-964; 86-1488.)

(40 ILCS 5/9-186) (from Ch. 108 1/2, par. 9-186)

Sec. 9-186. Board elections. In each year, the board shall conduct a regular election, under rules adopted by it, at least 30 days prior to the expiration of the term of each elected employee or annuitant member.

To be eligible to be a county employee member, a person must be an employee of the county and must have at least 5 years of service credit in that capacity by December 1 of the year of election. To be eligible to be a forest preserve district member, a person must be an employee of the forest preserve district and must have at least 5 years of service credit in that capacity by December 1 of the year of election.

Only those persons who are employees of the county shall be eligible to vote for the 3 county employee members, only those persons who are employees of the forest preserve district shall be eligible to vote for the forest preserve district member, and only those persons who are currently receiving retirement ~~or--disability~~ benefits under this Article shall be eligible to vote for the annuitant members elected under subsections (d) and (d-1) of Section 9-185, and only those persons who are currently receiving retirement benefits under Article 10 shall be eligible to vote for the forest preserve district annuitant member elected under subsection (f) of Section 9-185. The ballot shall be of secret character.

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Except as otherwise provided in Section 9-187, each member of the board shall hold office until his successor is chosen and has qualified.

Any person elected or appointed a member of the board shall qualify for the office by taking an oath of office to be administered by the county clerk or a person designated by him. A copy thereof shall be kept in the office of the county clerk. Any appointment or notice of election shall be in writing and the written instrument shall be filed with the oath.

(Source: P.A. 85-964; 86-1488.)

(40 ILCS 5/9-187) (from Ch. 108 1/2, par. 9-187)

Sec. 9-187. Board vacancy.

(a) A vacancy in the membership of the board shall be filled as follows:

If the vacancy is that of an appointive member, the official who appointed him shall appoint a person to serve for the unexpired term.

If the vacancy is that of a county employee member, the remaining members of the board shall appoint a successor from among the employees of the county, who shall serve during the remainder of the unexpired term.

If the vacancy is that of a forest preserve district member, the remaining members of the board shall appoint a successor from among the employees of the forest preserve district, who shall serve during the remainder of the unexpired term.

If the vacancy is that of an annuitant member other than a forest preserve district annuitant member, the remaining members of the board shall appoint a successor from among those persons who are currently receiving retirement ~~or--disability~~ benefits under this Article.

If the vacancy is that of a forest preserve district annuitant member, the remaining members of the board shall appoint a successor from among those persons who are currently receiving retirement benefits under Article 10.

(b) Any county or forest preserve district member who withdraws from service shall automatically cease to be a member of the board. Any annuitant member other than a forest preserve district annuitant member whose retirement ~~or--disability~~ benefits cease under this Article, and any forest preserve district annuitant member whose retirement benefits cease under Article 10, shall also automatically cease to be a member of the Board.

(Source: P.A. 85-964; 86-1488.)

(40 ILCS 5/9-219) (from Ch. 108 1/2, par. 9-219)

Sec. 9-219. Computation of service.

(1) In computing the term of service of an employee prior to the effective date, the entire period beginning on the date he was first appointed and ending on the day before the effective date, except any intervening period during which he was separated by withdrawal from service, shall be counted for all purposes of this Article.

(2) In computing the term of service of any employee on or after the effective date, the following periods of time shall be counted as periods of service for age and service, widow's and child's annuity purposes:

(a) The time during which he performed the duties of his position.

(b) Vacations, leaves of absence with whole or part pay, and leaves of absence without pay not longer than 90 days.

(c) For an employee who is a member of a county police department or a correctional officer with the county department of corrections, approved leaves of absence without pay during which the employee serves as a full-time officer or employee head

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of an employee association, the membership of which consists of other participants in the Fund ~~police-officers~~, provided that the employee contributes to the Fund (1) the amount that he would have contributed had he remained an active ~~employee member of the county--police department~~ in the position he occupied at the time the leave of absence was granted, (2) an amount calculated by the Board representing employer contributions, and (3) regular interest thereon from the date of service to the date of payment. However, if the employee's application to establish credit under this subsection is received by the Fund on or after January 1, 2002 and before July 1, 2002, the amount representing employer contributions specified in item (2) shall be waived.

For a former member of a county police department who has received a refund under Section 9-164, periods during which the employee serves as head of an employee association, the membership of which consists of other police officers, provided that the employee contributes to the Fund (1) the amount that he would have contributed had he remained an active member of the county police department in the position he occupied at the time he left service, (2) an amount calculated by the Board representing employer contributions, and (3) regular interest thereon from the date of service to the date of payment. However, if the former member of the county police department retires on or after January 1, 1993 but no later than March 1, 1993, the amount representing employer contributions specified in item (2) shall be waived.

(d) Any period of disability for which he received disability benefit or whole or part pay.

(e) Accumulated vacation or other time for which an employee who retires on or after November 1, 1990 receives a lump sum payment at the time of retirement, provided that contributions were made to the fund at the time such lump sum payment was received. The service granted for the lump sum payment shall not change the employee's date of withdrawal for computing the effective date of the annuity.

(f) An employee may receive service credit for annuity purposes for accumulated sick leave as of the date of the employee's withdrawal from service, not to exceed a total of 180 days, provided that the amount of such accumulated sick leave is certified by the County Comptroller to the Board and the employee pays an amount equal to 8.5% (9% for members of the County Police Department who are eligible to receive an annuity under Section 9-128.1) of the amount that would have been paid had such accumulated sick leave been paid at the employee's final rate of salary. Such payment shall be made within 30 days after the date of withdrawal and prior to receipt of the first annuity check. The service credit granted for such accumulated sick leave shall not change the employee's date of withdrawal for the purpose of computing the effective date of the annuity.

(3) In computing the term of service of an employee on or after the effective date for ordinary disability benefit purposes, the following periods of time shall be counted as periods of service:

(a) Unless otherwise specified in Section 9-157, the time during which he performed the duties of his position.

(b) Paid vacations and leaves of absence with whole or part pay.

(c) Any period for which he received duty disability benefit.

(d) Any period of disability for which he received whole or part pay.

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(4) For an employee who on January 1, 1958, was transferred by Act of the 70th General Assembly from his position in a department of welfare of any city located in the county in which this Article is in force and effect to a similar position in a department of such county, service shall also be credited for ordinary disability benefit and child's annuity for such period of department of welfare service during which period he was a contributor to a statutory annuity and benefit fund in such city and for which purposes service credit would otherwise not be credited by virtue of such involuntary transfer.

(5) An employee described in subsection (e) of Section 9-108 shall receive credit for child's annuity and ordinary disability benefit for the period of time for which he was credited with service in the fund from which he was involuntarily separated through class or group transfer; provided, that no such credit shall be allowed to the extent that it results in a duplication of credits or benefits, and neither shall such credit be allowed to the extent that it was or may be forfeited by the application for and acceptance of a refund from the fund from which the employee was transferred.

(6) Overtime or extra service shall not be included in computing service. Not more than 1 year of service shall be allowed for service rendered during any calendar year.
(Source: P.A. 86-1488; 87-794; 87-1265.)

(40 ILCS 5/11-125.8)

Sec. 11-125.8. Service as police officer, firefighter, or teacher.

(a) Service rendered by an employee as a police officer and member of the regularly constituted police department of the city, or as a firefighter and regular member of the paid fire department of the city, or as a teacher in the public school system in the city shall be counted, for the purposes of this Article, as service rendered as an employee of the city. Salary received for any such service shall be treated, for the purposes of this Article, as salary received for the performance of duty as an employee.

(b) Credit shall be granted under subsection (a) only if (1) the employee pays to the Fund prior to his or her separation from service an amount equal to the employee contributions that would have been payable for that service, based on the salary actually received, plus interest at the effective rate, and (2) the employee has terminated any credit for that service earned in any other annuity and benefit fund or pension fund in operation in the city for the benefit of police officers, firefighters, or teachers. The amount transferred to the Fund under item (1) of Section 5-233.1, if any, shall be credited against the contributions required under this subsection.
(Source: P.A. 90-31, eff. 6-27-97.)

(40 ILCS 5/11-134) (from Ch. 108 1/2, par. 11-134)

Sec. 11-134. Minimum annuities.

(a) An employee whose withdrawal occurs after July 1, 1957 at age 60 or over, with 20 or more years of service, (as service is defined or computed in Section 11-216), for whom the age and service and prior service annuity combined is less than the amount stated in this Section, shall, from and after the date of withdrawal, in lieu of all annuities otherwise provided in this Article, be entitled to receive an annuity for life of an amount equal to 1 2/3% for each year of service, of the highest average annual salary for any 5 consecutive years within the last 10 years of service immediately preceding the date of withdrawal; provided, that in the case of any employee who withdraws on or after July 1, 1971, such employee age 60 or over with 20 or more years of service, shall be entitled to instead receive an annuity for life equal to 1.67% for each of the

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first 10 years of service; 1.90% for each of the next 10 years of service; 2.10% for each year of service in excess of 20 but not exceeding 30; and 2.30% for each year of service in excess of 30, based on the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal.

An employee who withdraws after July 1, 1957 and before January 1, 1988, with 20 or more years of service, before age 60, shall be entitled to an annuity, to begin not earlier than age 55, if under such age at withdrawal, as computed in the last preceding paragraph, reduced 0.25% if the employee was born before January 1, 1936, or 0.5% if the employee was born on or after January 1, 1936, for each full month or fractional part thereof that his attained age when such annuity is to begin is less than 60.

Any employee born before January 1, 1936 who withdraws with 20 or more years of service, and any employee with 20 or more years of service who withdraws on or after January 1, 1988, may elect to receive, in lieu of any other employee annuity provided in this Section, an annuity for life equal to 1.80% for each of the first 10 years of service, 2.00% for each of the next 10 years of service, 2.20% for each year of service in excess of 20, but not exceeding 30, and 2.40% for each year of service in excess of 30, of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal, to begin not earlier than upon attained age of 55 years, if under such age at withdrawal, reduced 0.25% for each full month or fractional part thereof that his attained age when annuity is to begin is less than 60; except that an employee retiring on or after January 1, 1988, at age 55 or over but less than age 60, having at least 35 years of service, or an employee retiring on or after July 1, 1990, at age 55 or over but less than age 60, having at least 30 years of service, or an employee retiring on or after the effective date of this amendatory Act of 1997, at age 55 or over but less than age 60, having at least 25 years of service, shall not be subject to the reduction in retirement annuity because of retirement below age 60.

However, in the case of an employee who retired on or after January 1, 1985 but before January 1, 1988, at age 55 or older and with at least 35 years of service, and who was subject under this subsection (a) to the reduction in retirement annuity because of retirement below age 60, that reduction shall cease to be effective January 1, 1991, and the retirement annuity shall be recalculated accordingly.

Any employee who withdraws on or after July 1, 1990, with 20 or more years of service, may elect to receive, in lieu of any other employee annuity provided in this Section, an annuity for life equal to 2.20% for each year of service if withdrawal is before 60 days after the effective date of this amendatory Act of the 92nd General Assembly, or 2.40% for each year of service if withdrawal is 60 days after the effective date of this amendatory Act of the 92nd General Assembly or later, of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal, to begin not earlier than upon attained age of 55 years, if under such age at withdrawal, reduced 0.25% for each full month or fractional part thereof that his attained age when annuity is to begin is less than 60; except that an employee retiring at age 55 or over but less than age 60, having at least 30 years of service, shall not be subject to the reduction in retirement annuity because of retirement below age 60.

Any employee who withdraws on or after the effective date of this amendatory Act of 1997 with 20 or more years of service may elect to

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receive, in lieu of any other employee annuity provided in this Section, an annuity for life equal to 2.20%, for each year of service if withdrawal is before 60 days after the effective date of this amendatory Act of the 92nd General Assembly, or 2.40% for each year of service if withdrawal is 60 days after the effective date of this amendatory Act of the 92nd General Assembly or later, of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of withdrawal, to begin not earlier than upon attainment of age 55 (age 50 if the employee has at least 30 years of service), reduced 0.25% for each full month or remaining fractional part thereof that the employee's attained age when annuity is to begin is less than 60; except that an employee retiring at age 50 or over with at least 30 years of service or at age 55 or over with at least 25 years of service shall not be subject to the reduction in retirement annuity because of retirement below age 60.

The maximum annuity payable under this paragraph (a) of this Section shall not exceed 70% of highest average annual salary in the case of an employee who withdraws prior to July 1, 1971, 75% if withdrawal takes place on or after July 1, 1971, and prior to 60 days after the effective date of this amendatory Act of the 92nd General Assembly, or 80% if withdrawal is 60 days after the effective date of this amendatory Act of the 92nd General Assembly or later. For the purpose of the minimum annuity provided in said paragraphs \$1,500 shall be considered the minimum annual salary for any year; and the maximum annual salary to be considered for the computation of such annuity shall be \$4,800 for any year prior to 1953, \$6,000 for the years 1953 to 1956, inclusive, and the actual annual salary, as salary is defined in this Article, for any year thereafter.

(b) For an employee receiving disability benefit, his salary for annuity purposes under this Section shall, for all periods of disability benefit subsequent to the year 1956, be the amount on which his disability benefit was based.

(c) An employee with 20 or more years of service, whose entire disability benefit credit period expires prior to attainment of age 55 while still disabled for service, shall be entitled upon withdrawal to the larger of (1) the minimum annuity provided above assuming that he is then age 55, and reducing such annuity to its actuarial equivalent at his attained age on such date, or (2) the annuity provided from his age and service and prior service annuity credits.

(d) The minimum annuity provisions as aforesaid shall not apply to any former employee receiving an annuity from the fund, and who re-enters service as an employee, unless he renders at least 3 years of additional service after the date of re-entry.

(e) An employee in service on July 1, 1947, or who became a contributor after July 1, 1947 and prior to July 1, 1950, or who shall become a contributor to the fund after July 1, 1950 prior to attainment of age 70, who withdraws after age 65 with less than 20 years of service, for whom the annuity has been fixed under the foregoing Sections of this Article shall, in lieu of the annuity so fixed, receive an annuity as follows:

Such amount as he could have received had the accumulated amounts for annuity been improved with interest at the effective rate to the date of his withdrawal, or to attainment of age 70, whichever is earlier, and had the city contributed to such earlier date for age and service annuity the amount that would have been contributed had he been under age 65, after the date his annuity was fixed in accordance with this Article, and assuming his annuity were computed from such accumulations as of his age on such earlier date. The

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annuity so computed shall not exceed the annuity which would be payable under the other provisions of this Section if the employee was credited with 20 years of service and would qualify for annuity thereunder.

(f) In lieu of the annuity provided in this or in any other Section of this Article, an employee having attained age 65 with at least 15 years of service who withdraws from service on or after July 1, 1971 and whose annuity computed under other provisions of this Article is less than the amount provided under this paragraph shall be entitled to receive a minimum annual annuity for life equal to 1% of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding retirement for each year of his service plus the sum of \$25 for each year of service. Such annual annuity shall not exceed the maximum percentages stated under paragraph (a) of this Section of such highest average annual salary.

(f-1) Instead of any other retirement annuity provided in this Article, an employee who has at least 10 years of service and withdraws from service on or after January 1, 1999 may elect to receive a retirement annuity for life, beginning no earlier than upon attainment of age 60, equal to 2.2% if withdrawal is before 60 days after the effective date of this amendatory Act of the 92nd General Assembly or 2.4% for each year of service if withdrawal is 60 days after the effective date of this amendatory Act of the 92nd General Assembly or later, of final average salary for each year of service, subject to a maximum of 75% of final average salary if withdrawal is before 60 days after the effective date of this amendatory Act of the 92nd General Assembly, or 80% if withdrawal is 60 days after the effective date of this amendatory Act of the 92nd General Assembly or later. For the purpose of calculating this annuity, "final average salary" means the highest average annual salary for any 4 consecutive years in the last 10 years of service.

(g) Any annuity payable under the preceding subsections of this Section 11-134 shall be paid in equal monthly installments.

(h) The amendatory provisions of part (a) and (f) of this Section shall be effective July 1, 1971 and apply in the case of every qualifying employee withdrawing on or after July 1, 1971.

(i) The amendatory provisions of this amendatory Act of 1985 relating to the discount of annuity because of retirement prior to attainment of age 60 and increasing the retirement formula for those born before January 1, 1936, shall apply only to qualifying employees withdrawing on or after August 16, 1985.

(j) Beginning on January 1, 1999, the minimum amount of employee's annuity shall be \$850 per month for life for the following classes of employees, without regard to the fact that withdrawal occurred prior to the effective date of this amendatory Act of 1998:

(1) any employee annuitant alive and receiving a life annuity on the effective date of this amendatory Act of 1998, except a reciprocal annuity;

(2) any employee annuitant alive and receiving a term annuity on the effective date of this amendatory Act of 1998, except a reciprocal annuity;

(3) any employee annuitant alive and receiving a reciprocal annuity on the effective date of this amendatory Act of 1998, whose service in this fund is at least 5 years;

(4) any employee annuitant withdrawing after age 60 on or after the effective date of this amendatory Act of 1998, with at least 10 years of service in this fund.

The increases granted under items (1), (2) and (3) of this subsection (j) shall not be limited by any other Section of this Act.

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(Source: P.A. 90-32, eff. 6-27-97; 90-511, eff. 8-22-97; 90-766, eff. 8-14-98.)

(40 ILCS 5/11-134.1) (from Ch. 108 1/2, par. 11-134.1)

Sec. 11-134.1. Automatic increase in annuity.

(a) An employee who retired or retires from service after December 31, 1963, and before January 1, 1987, having attained age 60 or more, shall, in the month of January of the year following the year in which the first anniversary of retirement occurs, have the amount of his then fixed and payable monthly annuity increased by 1 1/2%, and such first fixed annuity as granted at retirement increased by a further 1 1/2% in January of each year thereafter. Beginning with January of the year 1972, such increases shall be at the rate of 2% in lieu of the aforesaid specified 1 1/2%. Beginning January, 1984, such increases shall be at the rate of 3%. Beginning in January of 1999, such increases shall be at the rate of 3% of the currently payable monthly annuity, including any increases previously granted under this Article. An employee who retires on annuity after December 31, 1963 and before January 1, 1987, but prior to age 60, shall receive such increases beginning with January of the year immediately following the year in which he attains the age of 60 years.

An employee who retires from service on or after January 1, 1987 shall, upon the first annuity payment date following the first anniversary of the date of retirement, or upon the first annuity payment date following attainment of age 60, whichever occurs later, have his then fixed and payable monthly annuity increased by 3%, and such annuity shall be increased by an additional 3% of the original fixed annuity on the same date each year thereafter. Beginning in January of 1999, such increases shall be at the rate of 3% of the currently payable monthly annuity, including any increases previously granted under this Article.

(a-5) Notwithstanding the provisions of subsection (a), upon the first annuity payment date following (1) the third anniversary of retirement, (2) the attainment of age 53, or (3) the date 60 days after the effective date of this amendatory Act of the 92nd General Assembly, whichever occurs latest, the monthly pension of an employee who retires on annuity prior to the attainment of age 60 who has not received an increase under subsection (a) shall be increased by 3%, and such annuity shall be increased by an additional 3% of the current payable monthly annuity, including such increases previously granted under this Article, on the same date each year thereafter. The increases provided under this subsection are in lieu of the increases provided in subsection (a).

(b) The foregoing provision is not applicable to an employee retiring and receiving a term annuity, as defined in this Article, nor to any otherwise qualified employee who retires before he shall have made employee contributions (at the 1/2 of 1% rate as hereinafter provided) for the purposes of this additional annuity for not less than the equivalent of one full year. Such employee, however, shall make arrangement to pay to the fund a balance of such 1/2 of 1% contributions, based on his final salary, as will bring such 1/2 of 1% contributions, computed without interest, to the equivalent of or completion of one year's contributions.

Beginning with the month of January, 1964, each employee shall contribute by means of salary deductions 1/2 of 1% of each salary payment, concurrently with and in addition to the employee contributions otherwise made for annuity purposes.

Each such additional employee contribution shall be credited to an account in the prior service annuity reserve, to be used, together with city contributions, to defray the cost of the specified annuity

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increments. Any balance as of the beginning of each calendar year existing in such account shall be credited with interest at the rate of 3% per annum.

Such employee contributions shall not be subject to refund, except to an employee who resigns or is discharged and applies for refund under this Article, and also in cases where a term annuity becomes payable.

In such cases the employee contributions shall be refunded him, without interest, and charged to the aforementioned account in the prior service annuity reserve.

(Source: P.A. 90-766, eff. 8-14-98.)

(40 ILCS 5/11-145.1) (from Ch. 108 1/2, par. 11-145.1)

Sec. 11-145.1. Minimum annuities for widows.

The widow otherwise eligible for widow's annuity under other Sections of this Article 11, of an employee hereinafter described, who retires from service or dies while in the service subsequent to the effective date of this amendatory provision, and for which widow the amount of widow's annuity and widow's prior service annuity combined, fixed or provided for such widow under other provisions of said Article 11 is less than the amount hereinafter provided in this section, shall, from and after the date her otherwise provided annuity would begin, in lieu of such otherwise provided widow's and widow's prior service annuity, be entitled to the following indicated amount of annuity:

(a) The widow of any employee who dies while in service on or after the date on which he attains age 60 if the death occurs before July 1, 1990, or on or after the date on which he attains age 55 if the death occurs on or after July 1, 1990, with at least 20 years of service, or on or after the date on which he attains age 50 if the death occurs on or after the effective date of this amendatory Act of 1997 with at least 30 years of service, shall be entitled to an annuity equal to one-half of the amount of annuity which her deceased husband would have been entitled to receive had he withdrawn from the service on the day immediately preceding the date of his death, conditional upon such widow having attained age 60 on or before such date if the death occurs before July 1, 1990, or age 55 if the death occurs on or after July 1, 1990, or age 50 if the death occurs on or after January 1, 1998 and the employee is age 50 or over with at least 30 years of service or age 55 or over with at least 25 years of service. Except as provided in subsection (j), the widow's annuity shall not, however, exceed the sum of \$500 a month if the employee's death in service occurs before January 23, 1987. The widow's annuity shall not be limited to a maximum dollar amount if the employee's death in service occurs on or after January 23, 1987.

If the employee dies in service before July 1, 1990, and if such widow of such described employee shall not be 60 or more years of age on such date of death, the amount provided in the immediately preceding paragraph for a widow 60 or more years of age, shall, in the case of such younger widow, be reduced by 0.25% for each month that her then attained age is less than 60 years if the employee was born before January 1, 1936, or dies in service on or after January 1, 1988, or 0.5% for each month that her then attained age is less than 60 years if the employee was born on or after January 1, 1936 and dies in service before January 1, 1988.

If the employee dies in service on or after July 1, 1990, and if the widow of the employee has not attained age 55 on or before the employee's date of death, the amount otherwise provided in this subsection (a) shall be reduced by 0.25% for each month that her then attained age is less than 55 years; except that if the employee dies in service on or after January 1, 1998 at age 50 or over with at

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least 30 years of service or at age 55 or over with at least 25 years of service, there shall be no reduction due to the widow's age if she has attained age 50 on or before the employee's date of death, and if the widow has not attained age 50 on or before the employee's date of death the amount otherwise provided in this subsection (a) shall be reduced by 0.25% for each month that her then attained age is less than 50 years.

(b) The widow of any employee who dies subsequent to the date of his retirement on annuity, and who so retired on or after the date on which he attained age 60 if retirement occurs before July 1, 1990, or on or after the date on which he attained age 55 if retirement occurs on or after July 1, 1990, with at least 20 years of service, or on or after the date on which he attained age 50 if the retirement occurs on or after the effective date of this amendatory Act of 1997 with at least 30 years of service, shall be entitled to an annuity equal to one-half of the amount of annuity which her deceased husband received as of the date of his retirement on annuity, conditional upon such widow having attained age 60 on or before the date of her husband's retirement on annuity if retirement occurs before July 1, 1990, or age 55 if retirement occurs on or after July 1, 1990, or age 50 if the retirement on annuity occurs on or after January 1, 1998 and the employee is age 50 or over with at least 30 years of service or age 55 or over with at least 25 years of service. Except as provided in subsection (j), this widow's annuity shall not, however, exceed the sum of \$500 a month if the employee's death occurs before January 23, 1987. The widow's annuity shall not be limited to a maximum dollar amount if the employee's death occurs on or after January 23, 1987, regardless of the date of retirement; provided that, if retirement was before January 23, 1987, the employee or eligible spouse repays the excess spouse refund with interest at the effective rate from the date of refund to the date of repayment.

If the date of the employee's retirement on annuity is before July 1, 1990, and if such widow of such described employee shall not have attained such age of 60 or more years on such date of her husband's retirement on annuity, the amount provided in the immediately preceding paragraph for a widow 60 or more years of age on the date of her husband's retirement on annuity, shall, in the case of such then younger widow, be reduced by 0.25% for each month that her then attained age was less than 60 years if the employee was born before January 1, 1936, or withdraws from service on or after January 1, 1988, or 0.5% for each month that her then attained age was less than 60 years if the employee was born on or after January 1, 1936 and withdraws from service before January 1, 1988.

If the date of the employee's retirement on annuity is on or after July 1, 1990, and if the widow of the employee has not attained age 55 by the date of the employee's retirement on annuity, the amount otherwise provided in this subsection (b) shall be reduced by 0.25% for each month that her then attained age is less than 55 years; except that if the employee retires on annuity on or after January 1, 1998 at age 50 or over with at least 30 years of service or at age 55 or over with at least 25 years of service, there shall be no reduction due to the widow's age if she has attained age 50 on or before the employee's date of death, and if the widow has not attained age 50 on or before the employee's date of death the amount otherwise provided in this subsection (b) shall be reduced by 0.25% for each month that her then attained age is less than 50 years.

(c) The foregoing provisions relating to minimum annuities for widows shall not apply to the widow of any former employee receiving an annuity from the fund on August 2, 1965 or on the effective date of this amendatory provision, who re-enters service as a former

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employee, unless such employee renders at least 3 years of additional service after the date of re-entry.

(d) (Blank).

(e) (Blank).

(f) The amendments to this Section by this amendatory Act of 1985, relating to changing the discount because of age from $1/2$ of 1% to 0.25% per month for widows of employees born before January 1, 1936, shall apply only to qualifying widows whose husbands die while in the service on or after August 16, 1985 or withdraw and enter on annuity on or after August 16, 1985.

(g) Beginning on January 1, 1999, the minimum amount of widow's annuity shall be \$800 per month for life for the following classes of widows, without regard to the fact that the death of the employee occurred prior to the effective date of this amendatory Act of 1998:

(1) any widow annuitant alive and receiving a term annuity on the effective date of this amendatory Act of 1998, except a reciprocal annuity;

(2) any widow annuitant alive and receiving a life annuity on the effective date of this amendatory Act of 1998, except a reciprocal annuity;

(3) any widow annuitant alive and receiving a reciprocal annuity on the effective date of this amendatory Act of 1998, whose employee spouse's service in this fund was at least 5 years;

(4) the widow of an employee with at least 10 years of service in this fund who dies after retirement, if the retirement occurred prior to the effective date of this amendatory Act of 1998;

(5) the widow of an employee with at least 10 years of service in this fund who dies after retirement, if withdrawal occurs on or after the effective date of this amendatory Act of 1998;

(6) the widow of an employee who dies in service with at least 5 years of service in this fund, if the death in service occurs on or after the effective date of this amendatory Act of 1998.

The increases granted under items (1), (2), (3) and (4) of this subsection (g) shall not be limited by any other Section of this Act.

(h) The widow of an employee who retired or died in service on or after January 1, 1985 and before July 1, 1990, at age 55 or older, and with at least 35 years of service credit, shall be entitled to have her widow's annuity increased, effective January 1, 1991, to an amount equal to 50% of the retirement annuity that the deceased employee received on the date of retirement, or would have been eligible to receive if he had retired on the day preceding the date of his death in service, provided that if the widow had not attained age 60 by the date of the employee's retirement or death in service, the amount of the annuity shall be reduced by 0.25% for each month that her then attained age was less than age 60 if the employee's retirement or death in service occurred on or after January 1, 1988, or by 0.5% for each month that her attained age is less than age 60 if the employee's retirement or death in service occurred prior to January 1, 1988. However, in cases where a refund of excess contributions for widow's annuity has been paid by the Fund, the increase in benefit provided by this subsection (h) shall be contingent upon repayment of the refund to the Fund with interest at the effective rate from the date of refund to the date of payment.

(i) If a deceased employee is receiving a retirement annuity at the time of death and that death occurs on or after June 27, 1997, the widow may elect to receive, in lieu of any other annuity provided

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under this Article, 50% of the deceased employee's retirement annuity at the time of death reduced by 0.25% for each month that the widow's age on the date of death is less than 55; except that if the employee dies on or after January 1, 1998 and withdrew from service on or after June 27, 1997 at age 50 or over with at least 30 years of service or at age 55 or over with at least 25 years of service, there shall be no reduction due to the widow's age if she has attained age 50 on or before the employee's date of death, and if the widow has not attained age 50 on or before the employee's date of death the amount otherwise provided in this subsection (i) shall be reduced by 0.25% for each month that her age on the date of death is less than 50 years. However, in cases where a refund of excess contributions for widow's annuity has been paid by the Fund, the benefit provided by this subsection (i) is contingent upon repayment of the refund to the Fund with interest at the effective rate from the date of refund to the date of payment.

(j) For widows of employees who died before January 23, 1987 after retirement on annuity or in service, the maximum dollar amount limitation on widow's annuity shall cease to apply, beginning with the first annuity payment after the effective date of this amendatory Act of 1997; except that if a refund of excess contributions for widow's annuity has been paid by the Fund, the increase resulting from this subsection (j) shall not begin before the refund has been repaid to the Fund, together with interest at the effective rate from the date of the refund to the date of repayment.

(k) In lieu of any other annuity provided in this Article, an eligible spouse of an employee who dies in service at least 60 days after the effective date of this amendatory Act of the 92nd General Assembly with at least 10 years of service shall be entitled to an annuity of 50% of the minimum formula annuity earned and accrued to the credit of the employee at the date of death. For the purposes of this subsection, the minimum formula annuity earned and accrued to the credit of the employee is equal to 2.40% for each year of service of the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of death, up to a maximum of 80% of the highest average annual salary. This annuity shall not be reduced due to the age of the employee or spouse. In addition to any other eligibility requirements under this Article, the spouse is eligible for this annuity only if the marriage was in effect for 10 full years or more.

(Source: P.A. 90-32, eff. 6-27-97; 90-511, eff. 8-22-97; 90-766, eff. 8-14-98.)

(40 ILCS 5/11-153) (from Ch. 108 1/2, par. 11-153)

Sec. 11-153. Child's annuity.

(a) A "Child's Annuity" shall be payable monthly after the death of an employee parent to an unmarried child until the child's attainment of age 18 or marriage, whichever event shall first occur, under the following conditions, if the child was born or in esse before the employee attained age 65, and before he withdrew from service:

~~(1) upon death resulting from injury incurred in the performance of an act of duty;~~

~~(2) upon death in service from any cause other than injury incurred in the performance of duty, if the employee has at least 4 years of service after the date of his original entry into service, and at least 2 years after the date of his latest re-entry;~~

~~(2)(3)~~ upon death of an employee who withdraws from service after age 55 (or after age 50 with at least 30 years of service if withdrawal is on or after June 27, 1997) and who has entered

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upon or is eligible for annuity.
Payment shall be made as provided in Section 11-124.

(b) After July 24, 1967, an adopted child shall be entitled to the same child's annuity benefits provided for natural children in this Article, if:

(1) the child was legally adopted by the employee at least one year prior to the death of the employee; and

(2) the child was adopted before the employee withdrew from service attained-age-55.

(Source: P.A. 90-31, eff. 6-27-97; 90-766, eff. 8-14-98.)

(40 ILCS 5/11-156) (from Ch. 108 1/2, par. 11-156)

Sec. 11-156. Ordinary disability benefit. An employee, while under age 65 and prior to January 1, 1979, or while under age 70 and after January 1, 1979, who becomes disabled after the effective date as the result of any cause other than injury incurred in the performance of any act or acts of duty, shall be entitled to ordinary disability benefit during such disability, after the first 30 days thereof.

The disability benefit prescribed herein shall cease when the first of the following dates shall occur and the employee, if still disabled, shall thereafter be entitled to such annuity as is otherwise provided in this Article:

(a) the date disability ceases.

(b) the date the disabled employee attains age 65 for disability commencing prior to January 1, 1979.

(c) the date the disabled employee attains 65 for disability commencing prior to attainment of age 60 in the service and after January 1, 1979.

(d) the date the disabled employee attains the age of 70 for disability commencing after attainment of age 60 in the service and after January 1, 1979.

(e) the date the payments of the benefit shall exceed in the aggregate, throughout the employee's service, a period equal to 1/4 of the total service rendered prior to the date of disability but in no event more than 5 years. In computing such total the following periods shall be excluded:

(i) Any period during which the employee received ordinary disability benefit;

(ii) Any period of absence from duty, whether caused by layoff, leave of absence or suspension of employment, or any other reason, unless the board, upon satisfactory evidence, finds that the disability resulted from a cause which existed or occurred prior to such period of absence. No employee who becomes disabled and whose disability begins during absence from duty (other than while on vacation with pay) shall have any right to ordinary disability benefit, except as herein provided, until he recovers from such disability and performs the duties of his position in the service for at least 15 consecutive days, Sundays and holidays excepted, after such recovery.

The first payment shall be made not later than one month after the benefit is granted and each subsequent payment shall be made not later than one month after the last preceding payment.

Ordinary disability benefit shall be 50% of the employee's salary at the date of disability.

For ordinary disability benefits paid before January 1, 2001, before any payment, an amount equal to less the sum ordinarily deducted from salary for all annuity purposes for such period for which the ordinary disability benefit is made shall be deducted from such payment and credited to the employee as a deduction from salary for that period. The sums so deducted shall be credited to the

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employee-and shall be regarded, for annuity and refund purposes, as an amount contributed by him.

For ordinary disability benefits paid on or after January 1, 2001, the fund shall credit sums equal to the amounts ordinarily contributed by an employee for annuity purposes for any period during which the employee receives ordinary disability, and those sums shall be deemed for annuity purposes and purposes of Section 11-169 as amounts contributed by the employee. These amounts credited for annuity purposes shall not be credited for refund purposes.

Any employee whose ordinary disability benefit was terminated after January 1, 1979 by reason of his attainment of age 65 and who continues disabled after age 65 may elect before July 1, 1986 to have such benefits resumed beginning at the time of such termination and continuing until termination is required under this Section as amended by this amendatory Act of 1985. The amount payable to any employee for such resumed benefit for any period shall be reduced by the amount of any retirement annuity paid to such employee under this Article for the same period of time or by refund paid in lieu of annuity.

(Source: P.A. 85-964.)

(40 ILCS 5/11-164) (from Ch. 108 1/2, par. 11-164)

Sec. 11-164. Refunds - Withdrawal before age 55 or with less than 10 years of service.

(1) An employee, without regard to length of service, who withdraws before age 55, and any employee with less than 10 years of service who withdraws before age 60, shall be entitled to a refund of the total sum accumulated to his credit as of date of withdrawal for age and service annuity and widow's annuity from amounts contributed by him or by the City in lieu of employee contributions during duty disability; provided that such amounts contributed by the city after December 31, 1983 while the employee is receiving duty disability benefits and amounts credited to the employee for annuity purposes by the fund after December 31, 2000 while the employee is receiving ordinary disability benefits shall not be credited for refund purposes.

The board may in its discretion withhold payment of refund for a period not to exceed 6 months from the date of withdrawal. Interest at the effective rate shall be paid on any such refund withheld during such withheld period not to exceed 6 months.

(2) Upon receipt of the refund, the employee surrenders and forfeits all rights to any annuity or other benefits, for himself and for any other persons who might have benefited through him; provided that he may have such period of service counted in computing the term of his service for age and service annuity purposes only if he becomes an employee before age 65.

(3) An employee who does not receive a refund shall have all amounts to his credit for annuity purposes on the date of his withdrawal improved by interest only until he becomes age 65, while out of service, at the effective rate, for his benefit and the benefit of any person who may have any right to annuity through him if he re-enters the service and attains a right to annuity.

(4) Any such employee shall retain such right to refund of such amounts when he shall apply for same, until he re-enters the service or until the amount of annuity to which he shall have a right shall have been fixed as provided in this Article. Thereafter, no such right shall exist in the case of any such employee.

(Source: P.A. 83-499.)

(40 ILCS 5/11-167) (from Ch. 108 1/2, par. 11-167)

Sec. 11-167. Refunds in lieu of annuity. In lieu of an annuity, an employee who withdraws, and whose annuity would amount to less

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than \$800 a month for life may elect to receive a refund of the total sum accumulated to his credit from employee contributions for annuity purposes.

The widow of any employee, eligible for annuity upon the death of her husband, whose annuity would amount to less than \$800 a month for life, may, in lieu of a widow's annuity, elect to receive a refund of the accumulated contributions for annuity purposes, based on the amounts contributed by her deceased employee husband, but reduced by any amounts theretofore paid to him in the form of an annuity or refund out of such accumulated contributions.

Accumulated contributions shall mean the amounts including interest credited thereon contributed by the employee for age and service and widow's annuity to the date of his withdrawal or death, whichever first occurs, and including the accumulations from any amounts contributed for him as salary deductions while receiving duty disability benefits; provided that such amounts contributed by the city after December 31, 1983 while the employee is receiving duty disability benefits and amounts credited to the employee for annuity purposes by the fund after December 31, 2000 while the employee is receiving ordinary disability benefits.

The acceptance of such refund in lieu of widow's annuity, on the part of a widow, shall not deprive a child or children of the right to receive a child's annuity as provided for in Sections 11-153 and 11-154 of this Article, and neither shall the payment of a child's annuity in the case of such refund to a widow reduce the amount herein set forth as refundable to such widow electing a refund in lieu of widow's annuity.

(Source: P.A. 90-655, eff. 7-30-98; 91-887, eff. 7-6-00.)

(40 ILCS 5/12-127.7 new)

Sec. 12-127.7. Transfer to Metropolitan Pier and Exposition Authority pension plan.

(a) Until July 1, 2002, any member of the management committee of the Metropolitan Pier and Exposition Authority, as designated by the chief executive officer of the Authority, regardless of whether the member is in service under this Article on or after the effective date of this Section, may apply to the Board for transfer of all of his or her creditable service accumulated under this Fund to the pension plan established for employees and officers of the Metropolitan Pier and Exposition Authority. The creditable service shall be transferred in accordance with the terms of that plan and shall be accompanied by a payment from this Fund to that pension plan, consisting of:

(1) the amounts accumulated to the credit of the applicant for the service to be transferred, including interest, on the books of the Fund on the date of transfer, but excluding any additional or optional credits, which shall be refunded to the applicant; plus

(2) employer contribution credits computed and credited under this Article, including interest, on the books of the Fund on the date the applicant terminated service under the Fund.

Participation in this Fund as to the credits transferred under this Section terminates on the date of transfer.

(b) For the purpose of transferring credit under this Section, a person may reinstate credits and creditable service terminated upon receipt of a refund, by paying to the Fund, before July 1, 2002, the amount of the refund plus regular interest from the date of the refund to the date of repayment.

(40 ILCS 5/13-314) (from Ch. 108 1/2, par. 13-314)

Sec. 13-314. Alternative provisions for Water Reclamation District commissioners.

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(a) Transfer of credits. Any Water Reclamation District commissioner elected by vote of the people and who has elected to participate in this Fund may transfer to this Fund credits and creditable service accumulated under any other pension fund or retirement system established under Articles 2 through 18 of this Code, upon payment to the Fund of (1) the amount by which the employer and employee contributions that would have been required if he had participated in this Fund during the period for which credit is being transferred, plus interest, exceeds the amounts actually transferred from such other fund or system to this Fund, plus (2) interest thereon at 6% per year compounded annually from the date of transfer to the date of payment.

(a-1) CTA credit. Any Water Reclamation District commissioner elected by vote of the people who has elected to participate in this Fund may establish creditable service in this Fund for up to 14 years of employment with the Chicago Transit Authority for which the commissioner has not established service credit under any other Article of this Code by (1) applying to the Fund in writing before July 1, 2002, (2) relinquishing all credit for that employment in the retirement plan established for employees of the Authority, and (3) paying to this Fund (i) the amount of employee and employer contributions that would have been required if he or she had participated in this Fund during the period for which credit is being established, based on the actual salary received for that employment (excluding overtime), plus applicable interest, plus (ii) if the commissioner elects to pay in installments, interest on the unpaid balance at the rate of 6% per year, compounded annually, from the date the first installment payment is due until the date the last installment payment is paid, plus (iii) if the commissioner wishes to have the service credit count toward the alternative annuity under subsection (b), the additional optional contributions required under that subsection. The Fund may accept all or any portion of the required payment in the form of a transfer from the retirement plan established for employees of the Chicago Transit Authority.

(b) Alternative annuity. Any participant commissioner may elect to establish alternative credits for an alternative annuity by electing in writing to make additional optional contributions in accordance with this Section and procedures established by the Board. Such commissioner may discontinue making the additional optional contributions by notifying the fund in writing in accordance with this Section and procedures established by the Board.

Additional optional contributions for the alternative annuity shall be as follows:

(1) For service after the option is elected, an additional contribution of 3% of salary shall be contributed to the Fund on the same basis and under the same conditions as contributions required under Section 13-502.

(2) For contributions on past service, the additional contribution shall be 3% of the salary for the applicable period of service, plus interest at the annual rate from time to time as determined by the Board, compounded annually from the date of service to the date of payment. Contributions for service before the option is elected may be made in a lump sum payment to the Fund or by contributing to the Fund on the same basis and under the same conditions as contributions required under Section 13-502. All payments for past service must be paid in full before credit is given. No additional optional contributions may be made for any period of service for which credit has been previously forfeited by acceptance of a refund, unless the refund is repaid in full with interest at the rate specified in Section

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13-603, from the date of refund to the date of repayment.

In lieu of the retirement annuity otherwise payable under this Article, any commissioner who has elected to participate in the Fund and make additional optional contributions in accordance with this Section, has attained age 55, and has at least 6 years of service credit, may elect to have the retirement annuity computed as follows: 3% of the participant's average final salary as a commissioner for each of the first 8 years of service credit, plus 4% of such salary for each of the next 4 years of service credit, plus 5% of such salary for each year of service credit in excess of 12 years, subject to a maximum of 80% of such salary. To the extent such commissioner has made additional optional contributions with respect to only a portion of years of service credit, the retirement annuity will first be determined in accordance with this Section to the extent such additional optional contributions were made, and then in accordance with the remaining Sections of this Article to the extent of years of service credit with respect to which additional optional contributions were not made. The change in minimum retirement age (from 60 to 55) made by this amendatory Act of 1993 applies to persons who begin receiving a retirement annuity under this Section on or after the effective date of this amendatory Act, without regard to whether they are in service on or after that date.

(c) Disability benefits. In lieu of the disability benefits otherwise payable under this Article, any commissioner who (1) has elected to participate in the Fund, and (2) has become permanently disabled and as a consequence is unable to perform the duties of office, and (3) was making optional contributions in accordance with this Section at the time the disability was incurred, may elect to receive a disability annuity calculated in accordance with the formula in subsection (b). For the purposes of this subsection, such commissioner shall be considered permanently disabled only if: (i) disability occurs while in service as a commissioner and is of such a nature as to prevent the reasonable performance of the duties of office at the time; and (ii) the Board has received a written certification by at least 2 licensed physicians appointed by it stating that such commissioner is disabled and that the disability is likely to be permanent.

(d) Alternative survivor's benefits. In lieu of the survivor's benefits otherwise payable under this Article, the spouse or eligible child of any deceased commissioner who (1) had elected to participate in the Fund, and (2) was either making additional optional contributions on the date of death, or was receiving an annuity calculated under this Section at the time of death, may elect to receive an annuity beginning on the date of the commissioner's death, provided that the spouse and commissioner must have been married on the date of the last termination of a service as commissioner and for a continuous period of at least one year immediately preceding death.

The annuity shall be payable beginning on the date of the commissioner's death if the spouse is then age 50 or over, or beginning at age 50 if the age of the spouse is less than 50 years. If a minor unmarried child or children of the commissioner, under age 18, also survive, and the child or children are under the care of the eligible spouse, the annuity shall begin as of the date of death of the commissioner without regard to the spouse's age.

The annuity to a spouse shall be $66 \frac{2}{3}\%$ of the amount of retirement annuity earned by the commissioner on the date of death, subject to a minimum payment of 10% of salary, provided that if an eligible spouse, regardless of age, has in his or her care at the date of death of the commissioner any unmarried child or children of the commissioner under age 18, the minimum annuity shall be 30% of

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the commissioner's salary, plus 10% of salary on account of each minor child of the commissioner, subject to a combined total payment on account of a spouse and minor children not to exceed 50% of the deceased commissioner's salary. In the event there shall be no spouse of the commissioner surviving, or should a spouse die while eligible minor children still survive the commissioner, each such child shall be entitled to an annuity equal to 20% of salary of the commissioner subject to a combined total payment on account of all such children not to exceed 50% of salary of the commissioner. The salary to be used in the calculation of these benefits shall be the same as that prescribed for determining a retirement annuity as provided in subsection (b) of this Section.

Upon the death of a commissioner occurring after termination of a service or while in receipt of a retirement annuity, the combined total payment to a spouse and minor children, or to minor children alone if no eligible spouse survives, shall be limited to 75% of the amount of retirement annuity earned by the commissioner.

Adopted children shall have status as natural children of the commissioner only if the proceedings for adoption were commenced at least one year prior to the date of the commissioner's death.

Marriage of a child or attainment of age 18, whichever first occurs, shall render the child ineligible for further consideration in the payment of annuity to a spouse or in the increase in the amount thereof. Upon attainment of ineligibility of the youngest minor child of the commissioner, the annuity shall immediately revert to the amount payable upon death of a commissioner leaving no minor children surviving. If the spouse is under age 50 at such time, the annuity as revised shall be deferred until such age is attained.

(e) Refunds. Refunds of additional optional contributions shall be made on the same basis and under the same conditions as provided under Section 13-601. Interest shall be credited on the same basis and under the same conditions as for other contributions.

Optional contributions shall be accounted for in a separate Commission's Optional Contribution Reserve. Optional contributions under this Section shall be included in the amount of employee contributions used to compute the tax levy under Section 13-503.

(f) Effective date. The effective date of this plan of optional alternative benefits and contributions shall be the date upon which approval was received from the U.S. Internal Revenue Service. The plan of optional alternative benefits and contributions shall not be available to any former employee receiving an annuity from the Fund on the effective date, unless said former employee re-enters service and renders at least 3 years of additional service after the date of re-entry as a commissioner.

(Source: P.A. 90-12, eff. 6-13-97; 91-887, eff. 7-6-00.)

(40 ILCS 5/14-103.05a new)

Sec. 14-103.05a. Optional formula employee. "Optional formula employee" means an employee who has elected to participate in the optional retirement formula created under Section 14-110.1 and is employed in a position specified in subsection (a) of Section 14-110.1.

(40 ILCS 5/14-103.12) (from Ch. 108 1/2, par. 14-103.12)

Sec. 14-103.12. Final average compensation.

(a) For retirement and survivor annuities, "final average compensation" means the monthly compensation obtained by dividing the total compensation of an employee during the period of: (1) the 48 consecutive months of service within the last 120 months of service in which the total compensation was the highest, or (2) the total period of service, if less than 48 months, by the number of months of service in such period; provided that for purposes of a retirement

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annuity the average compensation for the last 12 months of the 48-month period shall not exceed the final average compensation by more than 25%.

(b) For death and disability benefits, in the case of a full-time employee, "final average compensation" means the greater of (1) the rate of compensation of the employee at the date of death or disability multiplied by 1 in the case of a salaried employee, by 174 in the case of an hourly employee, and by 22 in the case of a per diem employee, or (2) for benefits commencing on or after January 1, 1991, final average compensation as determined under subsection (a).

For purposes of this paragraph, full or part-time status shall be certified by the employing agency. Final rate of compensation for a part-time employee shall be the total compensation earned during the last full calendar month prior to the date of death or disability.

(c) Notwithstanding the provisions of subsection (a), for the purpose of calculating retirement and survivor annuities of persons with at least 20 years of eligible creditable service as defined in Section 14-110, "final average compensation" means the monthly rate of compensation received by the person on the last day of eligible creditable service (but not to exceed 115% of the average monthly compensation received by the person for the last 24 months of service, unless the person was in service as a State policeman before the effective date of this amendatory Act of 1997), or the average monthly compensation received by the person for the last 48 months of service prior to retirement, whichever is greater.

(c-5) Notwithstanding the provisions of subsection (a), for the purpose of calculating retirement and survivor annuities of persons with at least 20 years of optional formula creditable service as defined in Section 14-110.1, "final average compensation" means the average monthly compensation received by the person for the 24 highest-paid months (not necessarily consecutive) of optional formula creditable service, if that is higher than the final average compensation otherwise applicable to the person under this Section.

(d) Notwithstanding the provisions of subsection (a), for a person who was receiving, on the date of retirement or death, a disability benefit calculated under subdivision (b)(2) of this Section, the final average compensation used to calculate the disability benefit may be used for purposes of calculating the retirement and survivor annuities.

(e) In computing the final average compensation, periods of military leave shall not be considered.

A person appointed by the Governor to serve on a part-time basis as a paid member of a State board or commission may elect to have all or part of that service excluded from the computation of final average compensation under this Section.

(f) The changes to this Section made by this amendatory Act of 1997 (redefining final average compensation for members under the alternative formula) apply to members who retire on or after January 1, 1998, without regard to whether employment terminated before the effective date of this amendatory Act of 1997.

(Source: P.A. 90-65, eff. 7-7-97.)

(40 ILCS 5/14-104) (from Ch. 108 1/2, par. 14-104)

Sec. 14-104. Service for which contributions are permitted. Creditable service shall be granted under this Section for the types of service specified, upon application in writing and payment of the contributions provided for in this Section covering shall--cover the period of service to be granted. Except as otherwise provided in this Section, the contributions shall be based upon the applicant's employee's compensation and the contribution rate applicable to the kind of service credit to be granted, in effect on the date the

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applicant he last became a member of the System; ~~provided that~~ for all employment prior to January 1, 1969, the contribution rate shall be that in effect for a noncovered employee ~~on the date he last became a member of the System~~. Except as otherwise provided in this Section, contributions permitted under this Section shall include regular interest from the date the applicant an employee last became a member of the System to the date of payment.

These contributions must be paid in full before retirement either in a lump sum or in installment payments in accordance with such rules as may be adopted by the board.

A member of this System who is an active contributor to a participating system as defined in Article 20 shall be deemed an employee for the purposes of this Section.

(a) Any member may make contributions as required in this Section for any period of service, subsequent to the date of establishment, but prior to the date of membership.

(b) Any employee who had been previously excluded from membership because of age at entry and subsequently became eligible may elect to make contributions as required in this Section for the period of service during which he or she was ineligible.

(c) An employee of the Department of Insurance who, after January 1, 1944 but prior to becoming eligible for membership, received salary from funds of insurance companies in the process of rehabilitation, liquidation, conservation or dissolution, may elect to make contributions as required in this Section for such service.

(d) Any employee who rendered service in a State office to which he or she was elected, or rendered service in the elective office of Clerk of the Appellate Court prior to the date he or she became a member, may make contributions for such service as required in this Section. Any member who served by appointment of the Governor under the Civil Administrative Code of Illinois and did not participate in this System may make contributions as required in this Section for such service.

(e) Any person employed by the United States government or any instrumentality or agency thereof from January 1, 1942 through November 15, 1946 as the result of a transfer from State service by executive order of the President of the United States shall be entitled to prior service credit covering the period from January 1, 1942 through December 31, 1943 as provided for in this Article and to membership service credit for the period from January 1, 1944 through November 15, 1946 by making the contributions required in this Section. A person so employed on January 1, 1944 but whose employment began after January 1, 1942 may qualify for prior service and membership service credit under the same conditions.

(f) An employee of the Department of Labor of the State of Illinois who performed services for and under the supervision of that Department prior to January 1, 1944 but who was compensated for those services directly by federal funds and not by a warrant of the Auditor of Public Accounts paid by the State Treasurer may establish credit for such employment by making the contributions required in this Section. An employee of the Department of Agriculture of the State of Illinois, who performed services for and under the supervision of that Department prior to June 1, 1963, but was compensated for those services directly by federal funds and not paid by a warrant of the Auditor of Public Accounts paid by the State Treasurer, and who did not contribute to any other public employee retirement system for such service, may establish credit for such employment by making the contributions required in this Section.

(g) Any employee who executed a waiver of membership within 60 days prior to January 1, 1944 may, at any time while in the service

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of a department, file with the board a rescission of such waiver. Upon making the contributions required by this Section, the member shall be granted the creditable service that would have been received if the waiver had not been executed.

(h) Until May 1, 1990, an employee who was employed on a full-time basis by a regional planning commission for at least 5 continuous years may establish creditable service for such employment by making the contributions required under this Section, provided that any credits earned by the employee in the commission's retirement plan have been terminated.

(i) Any person who rendered full time contractual services to the General Assembly as a member of a legislative staff may establish service credit for up to 8 years of such services by making the contributions required under this Section, provided that application therefor is made not later than July 1, 1991.

(j) By paying the contributions otherwise required under this Section, plus an amount determined by the Board to be equal to the employer's normal cost of the benefit plus interest, an employee may establish service credit for a period of up to 2 years spent in active military service for which he or she does not qualify for credit under Section 14-105, provided that (1) the employee he was not dishonorably discharged from such military service, and (2) the amount of service credit established by the employee a--member under this subsection (j), when added to the amount of military service credit granted to the employee member under subsection (b) of Section 14-105, shall not exceed 5 years.

(k) An employee who was employed on a full-time basis by the Illinois State's Attorneys Association Statewide Appellate Assistance Service LEAA-ILEC grant project prior to the time that project became the State's Attorneys Appellate Service Commission, now the Office of the State's Attorneys Appellate Prosecutor, an agency of State government, may establish creditable service for not more than 60 months service for such employment by making contributions required under this Section.

(l) By paying the contributions otherwise required under this Section, plus an amount determined by the Board to be equal to the employer's normal cost of the benefit plus interest, a member may establish service credit for periods of up to 2 years less-than-one year spent on authorized leave of absence from service, provided that ~~(1)-the-period-of-leave-began-on-or-after-January-1,-1982-and-(2)-any~~ credit established by the member for the period of leave in any other public employee retirement system has been terminated. A member may establish service credit under this subsection for more than one period of authorized leave, and in that case the total period of service credit established by the member under this subsection may exceed 2 years one-year. In determining the contributions required for establishing service credit under this subsection, the interest shall be calculated from the beginning of the leave of absence to the date of payment.

(m) Any person who rendered contractual services to a member of the General Assembly as a worker in the member's district office may establish creditable service for up to 3 years of those contractual services by making the contributions required under this Section. The System shall determine a full-time salary equivalent for the purpose of calculating the required contribution. To establish credit under this subsection, the applicant must apply to the System by March 1, 1998.

(n) Any person who rendered contractual services to a member of the General Assembly as a worker providing constituent services to persons in the member's district may establish creditable service for

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up to 8 years of those contractual services by making the contributions required under this Section. The System shall determine a full-time salary equivalent for the purpose of calculating the required contribution. To establish credit under this subsection, the applicant must apply to the System by March 1, 1998.

(o) A member who participated in the Illinois Legislative Staff Internship Program, the Graduate Public Service Internship Program, or the Secretary of State's Ira S. Loeb Fellowship Program (formerly known as the One-Year Fellowship Program) may establish creditable service for up to 2 years one-year of that participation by making the contribution required under this Section. The System shall determine a full-time salary equivalent for the purpose of calculating the required contribution. Credit may not be established under this subsection for any period for which service credit is established under any other provision of this Code.

(p) A member who participated in the Lieutenant Governor's Fellowship Program may establish creditable service for up to 2 years of that participation by making the contribution required under this Section. The System shall determine a full-time salary equivalent for the purpose of calculating the required contribution. Credit may not be established under this subsection for any period for which service credit is established under any other provision of this Code.

(q) By paying the contributions otherwise required under this Section, plus an amount determined by the Board to be equal to the employer's normal cost of the benefit plus interest, an employee may establish service credit for a period of up to 8 years during which he or she was employed by the Visually Handicapped Managers of Illinois in a vending program operated under a contractual agreement with the Department of Rehabilitation Services.

(Source: P.A. 90-32, eff. 6-27-97; 90-448, eff. 8-16-97; 90-511, eff. 8-22-97; 90-655, eff. 7-30-98; 90-766, eff. 8-14-98.)

(40 ILCS 5/14-104.12 new)

Sec. 14-104.12. Credit for employment with the Illinois Sports Facilities Authority Board.

(a) A person who has service credit in the System and has not yet begun to receive a retirement annuity may establish service credit in this System for periods before the effective date of this Section during which he or she was employed by the Illinois Sports Facilities Authority Board or its predecessor entities, provided that the person does not have credit for those periods in any other public employee pension fund or retirement system and has terminated participation with respect to those periods of employment in any pension or retirement program established by the Authority or its predecessor entities. A person need not establish credit for all such periods and may not establish more than 10 years of service credit under this subsection. The credit established shall be deemed to relate to the earliest period for which the credit may be established.

In order to establish this credit, the person must apply in writing to the Board and pay to the System an amount equal to the sum of: (i) employee contributions based upon the period of credit to be established, the employee contribution rate in effect at the time of application, and the applicant's salary rate on the last day of service in the System before his or her employment with the Authority, or the first day of service in the System after that employment, whichever is higher; (ii) the employer's normal cost of the benefits accrued for the credit being established, as determined by the Board; and (iii) regular interest on items (i) and (ii) from the date of the service for which credit is being established to the

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date of payment. The applicant must pay the required contribution to the System before the retirement annuity begins.

(b) A person wishing to establish service credit under subsection (a) may reinstate creditable service terminated upon receipt of a refund in accordance with the provisions of Section 14-130(b).

(c) An eligible person may establish service credit under subsection (a) without returning to active service as an employee under this Article, but the required contributions must be received by the System before the person begins to receive a retirement annuity under this Article.

(40 ILCS 5/14-105.1) (from Ch. 108 1/2, par. 14-105.1)

Sec. 14-105.1. Transfer by member of General Assembly Retirement System.

(a) Any active (and until February 1, 1993, any former) member of the General Assembly Retirement System may apply for transfer of his or her credits and creditable service accumulated under this System to the General Assembly System or a Fund established under Article 5 or 12 of this Code. Such credits and creditable service shall be transferred forthwith. Payment by this System to the General Assembly Retirement System or the Fund established under Article 5 or 12 shall be made at the same time and shall consist of:

(1) the amounts accumulated to the credit of the applicant, including regular interest, on the books of the System on the date of transfer; and

(2) employer contributions in an amount equal to the amount of member contributions as determined under subparagraph (1). Participation in this System as to any credits transferred under this Section shall terminate on the date of transfer.

(a-5) Any active member of the General Assembly Retirement System may apply for transfer of all or any portion of his or her credits and creditable service accumulated under this System to the General Assembly Retirement System. Payment by this System to the General Assembly Retirement System shall be made at the same time and shall consist of:

(1) the amounts accumulated to the credit of the applicant for the credits to be transferred, including regular interest, on the books of the System on the date of transfer; and

(2) employer contributions in an amount equal to the amount of member contributions as determined under item (1).

Participation in this System as to any credits transferred under this subsection shall terminate on the date of transfer.

(b) An active (and until February 1, 1993, a former) member of the General Assembly who has service credits and creditable service under the System may establish additional service credits and creditable service for periods during which he was an elected official and could have elected to participate but did not so elect. Service credits and creditable service may be established by payment to the System of an amount equal to the contributions he or she would have made if he or she had elected to participate, plus regular interest to the date of payment.

(c) An active (and until February 1, 1993, a former) member of the General Assembly Retirement System may reinstate service and service credits terminated upon receipt of a separation benefit, by payment to the System of the amount of the separation benefit plus regular interest thereon to the date of payment.

(Source: P.A. 86-27; 86-273; 86-1028; 86-1488; 87-794.)

(40 ILCS 5/14-105.7)

Sec. 14-105.7. Transfer to Article 9 fund.

(a) Until July 1, 2002 1998, any active or inactive member of

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the System who has established creditable service under paragraph (i) of Section 14-104 (relating to contractual service to the General Assembly) and is an active or former contributor to the pension fund established under Article 9 of this Code may apply to the Board for transfer of all of his or her creditable service accumulated under this System to the Article 9 fund. The creditable service shall be transferred forthwith. Payment by this System to the Article 9 fund shall be made at the same time and shall consist of:

(1) the amounts accumulated to the credit of the applicant for that service, including regular interest, on the books of the System on the date of transfer; plus

(2) employer contributions in an amount equal to the amount determined under item (1).

Participation in this System as to the credits transferred under this Section terminates on the date of transfer.

(b) Any person transferring credit under this Section may reinstate credits and creditable service terminated upon receipt of a refund, by paying to the System, before July 1, 2002 ~~1998~~, the amount of the refund plus regular interest from the date of refund to the date of payment.

(c) The changes to this Section and Section 9-121.15 made by this amendatory Act of the 92nd General Assembly apply without regard to whether the person is in active service, under this System or the Article 9 Fund, on or after the effective date of this amendatory Act.

(Source: P.A. 90-511, eff. 8-22-97.)

(40 ILCS 5/14-105.8 new)

Sec. 14-105.8. Transfer to Metropolitan Pier and Exposition Authority pension plan.

(a) Until July 1, 2002, any member of the management committee of the Metropolitan Pier and Exposition Authority, as designated by the chief executive officer of the Authority, regardless of whether the member is in service under this Article on or after the effective date of this Section, may apply to the Board for transfer of all of his or her creditable service accumulated under this System to the pension plan established for employees and officers of the Metropolitan Pier and Exposition Authority. The creditable service shall be transferred in accordance with the terms of that plan and shall be accompanied by a payment from this System to that pension plan, consisting of:

(1) the amounts accumulated to the credit of the applicant for the service to be transferred, including regular interest, on the books of the System on the date of transfer; plus

(2) employer contributions in an amount equal to the amount determined under item (1).

Participation in this System as to the credits transferred under this Section terminates on the date of transfer.

(b) For the purpose of transferring credit under this Section, a person may reinstate credits and creditable service terminated upon receipt of a refund, by paying to the System, before July 1, 2002, the amount of the refund plus regular interest from the date of the refund to the date of repayment.

(40 ILCS 5/14-108) (from Ch. 108 1/2, par. 14-108)

Sec. 14-108. Amount of retirement annuity. A member who has contributed to the System for at least 12 months shall be entitled to a prior service annuity for each year of certified prior service credited to him, except that a member shall receive 1/3 of the prior service annuity for each year of service for which contributions have been made and all of such annuity shall be payable after the member has made contributions for a period of 3 years. Proportionate

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amounts shall be payable for service of less than a full year after completion of at least 12 months.

The total period of service to be considered in establishing the measure of prior service annuity shall include service credited in the Teachers' Retirement System of the State of Illinois and the State Universities Retirement System for which contributions have been made by the member to such systems; provided that at least 1 year of the total period of 3 years prescribed for the allowance of a full measure of prior service annuity shall consist of membership service in this system for which credit has been granted.

(a) In the case of a member who retires on or after January 1, 1998 and is a noncovered employee, the retirement annuity for membership service and prior service shall be 2.2% of final average compensation for each year of service. Any service credit established as a covered employee shall be computed as stated in paragraph (b).

(b) In the case of a member who retires on or after January 1, 1998 and is a covered employee, the retirement annuity for membership service and prior service shall be computed as stated in paragraph (a) for all service credit established as a noncovered employee; for service credit established as a covered employee it shall be 1.67% of final average compensation for each year of service.

(c) For a member retiring after attaining age 55 but before age 60 with at least 30 but less than 35 years of creditable service if retirement is before January 1, 2001, or with at least 25 but less than 30 years of creditable service if retirement is on or after January 1, 2001, the retirement annuity shall be reduced by 1/2 of 1% for each month that the member's age is under age 60 at the time of retirement.

(d) A retirement annuity shall not exceed 75% of final average compensation, subject to such extension as may result from the application of Section 14-114 or Section 14-115.

(e) The retirement annuity payable to any covered employee who is a member of the System and in service on January 1, 1969, or in service thereafter in 1969 as a result of legislation enacted by the Illinois General Assembly transferring the member to State employment from county employment in a county Department of Public Aid in counties of 3,000,000 or more population, under a plan of coordination with the Old Age, Survivors and Disability provisions thereof, if not fully insured for Old Age Insurance payments under the Federal Old Age, Survivors and Disability Insurance provisions at the date of acceptance of a retirement annuity, shall not be less than the amount for which the member would have been eligible if coordination were not applicable.

(f) The retirement annuity payable to any covered employee who is a member of the System and in service on January 1, 1969, or in service thereafter in 1969 as a result of the legislation designated in the immediately preceding paragraph, if fully insured for Old Age Insurance payments under the Federal Social Security Act at the date of acceptance of a retirement annuity, shall not be less than an amount which when added to the Primary Insurance Benefit payable to the member upon attainment of age 65 under such Federal Act, will equal the annuity which would otherwise be payable if the coordinated plan of coverage were not applicable.

(g) In the case of a member who is a noncovered employee, the retirement annuity for membership service as a security employee of the Department of Corrections or security employee of the Department of Human Services shall be 1.9% of final average compensation for each of the first 10 years of service, 2.1% for each of the next 10 years of service, 2.25% for each year of service in excess of 20 but

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not exceeding 30, and 2.5% for each year in excess of 30; except that the annuity may be calculated under subsection (a) rather than this subsection (g) if the resulting annuity is greater.

(h) In the case of a member who is a covered employee, the retirement annuity for membership service as a security employee of the Department of Corrections or security employee of the Department of Human Services shall be 1.67% of final average compensation for each of the first 10 years of service, 1.90% for each of the next 10 years of service, 2.10% for each year of service in excess of 20 but not exceeding 30, and 2.30% for each year in excess of 30.

(i) For the purposes of this Section and Section 14-133 of this Act, the term "security employee of the Department of Corrections" and the term "security employee of the Department of Human Services" shall have the meanings ascribed to them in subsection (c) of Section 14-110.

(j) The retirement annuity computed pursuant to paragraphs (g) or (h) shall be applicable only to those security employees of the Department of Corrections and security employees of the Department of Human Services who have at least 20 years of membership service and who are not eligible for the alternative retirement annuity provided under Section 14-110. However, persons transferring to this System under Section 14-108.2 who have service credit under Article 16 of this Code may count such service toward establishing their eligibility under the 20-year service requirement of this subsection; but such service may be used only for establishing such eligibility, and not for the purpose of increasing or calculating any benefit.

(k) In the case of a member who has optional formula creditable service as defined in Section 14-110.1 but does not qualify for the optional formula retirement annuity provided under that Section, the portion of the retirement annuity based on optional formula creditable service shall consist of 3% of final average compensation for each year of optional formula creditable service; and the remainder of the retirement annuity shall be calculated as otherwise provided in this Section. The total retirement annuity shall be subject to a maximum of 80% of the member's final average compensation and shall be subject to the other provisions and conditions applicable to retirement annuities calculated under this Section. {Blank}-

(l) The changes to this Section made by this amendatory Act of 1997 (changing certain retirement annuity formulas from a stepped rate to a flat rate) apply to members who retire on or after January 1, 1998, without regard to whether employment terminated before the effective date of this amendatory Act of 1997. An annuity shall not be calculated in steps by using the new flat rate for some steps and the superseded stepped rate for other steps of the same type of service.

(Source: P.A. 90-65, eff. 7-7-97; 90-448, eff. 8-16-97; 90-655, eff. 7-30-98; 91-927, eff. 12-14-00.)

(40 ILCS 5/14-110) (from Ch. 108 1/2, par. 14-110)

Sec. 14-110. Alternative retirement annuity.

(a) Any member who has withdrawn from service with not less than 20 years of eligible creditable service and has attained age 55, and any member who has withdrawn from service with not less than 25 years of eligible creditable service and has attained age 50, regardless of whether the attainment of either of the specified ages occurs while the member is still in service, shall be entitled to receive at the option of the member, in lieu of the regular or minimum retirement annuity, a retirement annuity computed as follows:

(i) for periods of service as a noncovered employee, 2 1/4% of final average compensation for each of the first 10 years of

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creditable service, 2 1/2% for each year above 10 years to and including 20 years of creditable service, and 2 3/4% for each year of creditable service above 20 years; and

(ii) for periods of eligible creditable service as a covered employee, 1.67% of final average compensation for each of the first 10 years of such service, 1.90% for each of the next 10 years of such service, 2.10% for each year of such service in excess of 20 but not exceeding 30, and 2.30% for each year in excess of 30.

Such annuity shall be subject to a maximum of 75% of final average compensation. These rates shall not be applicable to any service performed by a member as a covered employee which is not eligible creditable service. Service as a covered employee which is not eligible creditable service shall be subject to the rates and provisions of Section 14-108.

(b) For the purpose of this Section, "eligible creditable service" means creditable service resulting from service in one or more of the following positions:

- (1) State policeman;
- (2) fire fighter in the fire protection service of a department;
- (3) air pilot;
- (4) special agent;
- (5) investigator for the Secretary of State;
- (6) conservation police officer;
- (7) investigator for the Department of Revenue;
- (8) security employee of the Department of Human Services;
- (9) Central Management Services security police officer;
- (10) security employee of the Department of Corrections;
- (11) dangerous drugs investigator;
- (12) investigator for the Department of State Police;
- (13) investigator for the Office of the Attorney General;
- (14) controlled substance inspector;
- (15) investigator for the Office of the State's Attorneys Appellate Prosecutor;
- (16) Commerce Commission police officer;
- (17) arson investigator;
- (18) CMS automotive mechanic.

A person employed in one of the positions specified in this subsection is entitled to eligible creditable service for service credit earned under this Article while undergoing the basic police training course approved by the Illinois Law Enforcement Training Standards Board, if completion of that training is required of persons serving in that position. For the purposes of this Code, service during the required basic police training course shall be deemed performance of the duties of the specified position, even though the person is not a sworn peace officer at the time of the training.

(c) For the purposes of this Section:

- (1) The term "state policeman" includes any title or position in the Department of State Police that is held by an individual employed under the State Police Act.
- (2) The term "fire fighter in the fire protection service of a department" includes all officers in such fire protection service including fire chiefs and assistant fire chiefs.
- (3) The term "air pilot" includes any employee whose official job description on file in the Department of Central Management Services, or in the department by which he is employed if that department is not covered by the Personnel Code, states that his principal duty is the operation of aircraft, and who

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possesses a pilot's license; however, the change in this definition made by this amendatory Act of 1983 shall not operate to exclude any noncovered employee who was an "air pilot" for the purposes of this Section on January 1, 1984. The term "air pilot" also includes any person employed by the Illinois Department of Transportation in the position of flight safety coordinator or Bureau Chief of Air Operations.

(4) The term "special agent" means any person who by reason of employment by the Division of Narcotic Control, the Bureau of Investigation or, after July 1, 1977, the Division of Criminal Investigation, the Division of Internal Investigation, the Division of Operations, or any other Division or organizational entity in the Department of State Police is vested by law with duties to maintain public order, investigate violations of the criminal law of this State, enforce the laws of this State, make arrests and recover property. The term "special agent" includes any title or position in the Department of State Police that is held by an individual employed under the State Police Act.

(5) The term "investigator for the Secretary of State" means any person employed by the Office of the Secretary of State and vested with such investigative duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

A person who became employed as an investigator for the Secretary of State between January 1, 1967 and December 31, 1975, and who has served as such until attainment of age 60, either continuously or with a single break in service of not more than 3 years duration, which break terminated before January 1, 1976, shall be entitled to have his retirement annuity calculated in accordance with subsection (a), notwithstanding that he has less than 20 years of credit for such service.

(6) The term "Conservation Police Officer" means any person employed by the Division of Law Enforcement of the Department of Natural Resources and vested with such law enforcement duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. The term "Conservation Police Officer" includes the positions of Chief Conservation Police Administrator and Assistant Conservation Police Administrator.

(7) The term "investigator for the Department of Revenue" means any person employed by the Department of Revenue and vested with such investigative duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

(8) The term "security employee of the Department of Human Services" means any person employed by the Department of Human Services who is employed at the Chester Mental Health Center and has daily contact with the residents thereof, or who is a mental health police officer. "Mental health police officer" means any person employed by the Department of Human Services in a position pertaining to the Department's mental health and developmental disabilities functions who is vested with such law enforcement duties as render the person ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

(9) "Central Management Services security police officer" means any person employed by the Department of Central Management Services who is vested with such law enforcement duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of

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that Act.

(10) The term "security employee of the Department of Corrections" means any employee of the Department of Corrections or the former Department of Personnel, and any member or employee of the Prisoner Review Board, who has daily contact with inmates by working within a correctional facility or who is a parole officer or an employee who has direct contact with committed persons in the performance of his or her job duties.

(11) The term "dangerous drugs investigator" means any person who is employed as such by the Department of Human Services.

(12) The term "investigator for the Department of State Police" means a person employed by the Department of State Police who is vested under Section 4 of the Narcotic Control Division Abolition Act with such law enforcement powers as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act.

(13) "Investigator for the Office of the Attorney General" means any person who is employed as such by the Office of the Attorney General and is vested with such investigative duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. For the period before January 1, 1989, the term includes all persons who were employed as investigators by the Office of the Attorney General, without regard to social security status.

(14) "Controlled substance inspector" means any person who is employed as such by the Department of Professional Regulation and is vested with such law enforcement duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D) and 218(1)(1) of that Act. The term "controlled substance inspector" includes the Program Executive of Enforcement and the Assistant Program Executive of Enforcement.

(15) The term "investigator for the Office of the State's Attorneys Appellate Prosecutor" means a person employed in that capacity on a full time basis under the authority of Section 7.06 of the State's Attorneys Appellate Prosecutor's Act.

(16) "Commerce Commission police officer" means any person employed by the Illinois Commerce Commission who is vested with such law enforcement duties as render him ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act.

(17) "Arson investigator" means any person who is employed as such by the Office of the State Fire Marshal and is vested with such law enforcement duties as render the person ineligible for coverage under the Social Security Act by reason of Sections 218(d)(5)(A), 218(d)(8)(D), and 218(1)(1) of that Act. A person who was employed as an arson investigator on January 1, 1995 and is no longer in service but not yet receiving a retirement annuity may convert his or her creditable service for employment as an arson investigator into eligible creditable service by paying to the System the difference between the employee contributions actually paid for that service and the amounts that would have been contributed if the applicant were contributing at the rate applicable to persons with the same social security status earning eligible creditable service on the date of application.

(18) The term "CMS automotive mechanic" means a person who is employed by the Department of Central Management Services at a

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correctional facility in the position of automotive mechanic or automotive shop supervisor.

(d) A security employee of the Department of Corrections, and a security employee of the Department of Human Services who is not a mental health police officer, shall not be eligible for the alternative retirement annuity provided by this Section unless he or she meets the following minimum age and service requirements at the time of retirement:

(i) 25 years of eligible creditable service and age 55; or
 (ii) beginning January 1, 1987, 25 years of eligible creditable service and age 54, or 24 years of eligible creditable service and age 55; or

(iii) beginning January 1, 1988, 25 years of eligible creditable service and age 53, or 23 years of eligible creditable service and age 55; or

(iv) beginning January 1, 1989, 25 years of eligible creditable service and age 52, or 22 years of eligible creditable service and age 55; or

(v) beginning January 1, 1990, 25 years of eligible creditable service and age 51, or 21 years of eligible creditable service and age 55; or

(vi) beginning January 1, 1991, 25 years of eligible creditable service and age 50, or 20 years of eligible creditable service and age 55.

Persons who have service credit under Article 16 of this Code for service as a security employee of the Department of Corrections in a position requiring certification as a teacher may count such service toward establishing their eligibility under the service requirements of this Section; but such service may be used only for establishing such eligibility, and not for the purpose of increasing or calculating any benefit.

(e) If a member enters military service while working in a position in which eligible creditable service may be earned, and returns to State service in the same or another such position, and fulfills in all other respects the conditions prescribed in this Article for credit for military service, such military service shall be credited as eligible creditable service for the purposes of the retirement annuity prescribed in this Section.

(f) For purposes of calculating retirement annuities under this Section, periods of service rendered after December 31, 1968 and before October 1, 1975 as a covered employee in the position of special agent, conservation police officer, mental health police officer, or investigator for the Secretary of State, shall be deemed to have been service as a noncovered employee, provided that the employee pays to the System prior to retirement an amount equal to (1) the difference between the employee contributions that would have been required for such service as a noncovered employee, and the amount of employee contributions actually paid, plus (2) if payment is made after July 31, 1987, regular interest on the amount specified in item (1) from the date of service to the date of payment.

For purposes of calculating retirement annuities under this Section, periods of service rendered after December 31, 1968 and before January 1, 1982 as a covered employee in the position of investigator for the Department of Revenue shall be deemed to have been service as a noncovered employee, provided that the employee pays to the System prior to retirement an amount equal to (1) the difference between the employee contributions that would have been required for such service as a noncovered employee, and the amount of employee contributions actually paid, plus (2) if payment is made after January 1, 1990, regular interest on the amount specified in

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item (1) from the date of service to the date of payment.

For purposes of calculating retirement annuities under this Section, periods of service rendered as a covered employee of the Office of the State Fire Marshal in the position of arson investigator shall be deemed to have been service as a noncovered employee, provided that the employee pays to the System prior to retirement an amount equal to (1) the difference between the employee contributions that would have been required for such service as a noncovered employee and the amount of employee contributions actually paid, plus (2) if payment is made after January 1, 2003, regular interest on the amount specified in item (1) from the date of service to the date of payment.

(g) Subject to the limitation in subsection (i), any active member of the System who is employed in a position for which he or she earns eligible creditable service may elect to establish eligible creditable service for up to 12 years of his or her service as a policeman under Article 3 or 5, a sheriff's law enforcement employee or municipal conservator of the peace under Article 7, a member of the County Police Department under Article 9, or a police officer under Article 15 by filing a written election with the Board and paying to the System no later than the day of withdrawal an amount to be determined by the System, equal to the deficiency, if any, between (i) the amount transferred to the System under Section 3-110.6, 5-236, 7-139.8, 9-121.10, or 15-134.6 and (ii) the amount that would have been contributed to the System had employer and employee contributions been made for the transferred service at the rates applicable to State policemen, including interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

~~A--State--policeman--may--elect--not--later--than--January--1--1990--to--establish--eligible--creditable--service--for--up--to--10--years--of--his--service--as--a--policeman--under--Article--3--by--filing--a--written--election--with--the--Board--accompanied--by--payment--of--an--amount--to--be--determined--by--the--Board--equal--to--(i)--the--difference--between--the--amount--of--employee--and--employer--contributions--transferred--to--the--System--under--Section--3--110.5--and--the--amounts--that--would--have--been--contributed--had--such--contributions--been--made--at--the--rates--applicable--to--State--policemen--plus--(ii)--interest--thereon--at--the--effective--rate--for--each--year--compounded--annually--from--the--date--of--service--to--the--date--of--payment--~~

~~Subject--to--the--limitation--in--subsection--(i)--a--State--policeman--may--elect--not--later--than--July--1--1993--to--establish--eligible--creditable--service--for--up--to--10--years--of--his--service--as--a--member--of--the--County--Police--Department--under--Article--9--by--filing--a--written--election--with--the--Board--accompanied--by--payment--of--an--amount--to--be--determined--by--the--Board--equal--to--(i)--the--difference--between--the--amount--of--employee--and--employer--contributions--transferred--to--the--System--under--Section--9--121.10--and--the--amounts--that--would--have--been--contributed--had--those--contributions--been--made--at--the--rates--applicable--to--State--policemen--plus--(ii)--interest--thereon--at--the--effective--rate--for--each--year--compounded--annually--from--the--date--of--service--to--the--date--of--payment--~~

(h) Subject to the limitation in subsection (i), a State policeman may elect, not later than July 1, 2002, to establish eligible creditable service for up to 12 years of his or her service as a Metropolitan Enforcement Group agent employed by a municipal police department under Article 7 or as a police officer under Article 15 by filing a written election with the Board, accompanied by payment of an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer

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contributions transferred to the System under Section 7-139.7(c) or 15-134.6 and the amounts that would have been contributed had those contributions been made at the rates then applicable to persons earning eligible creditable service, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

~~Subject to the limitation in subsection (i), a State policeman or investigator for the Secretary of State may elect to establish eligible creditable service for up to 12 years of his service as a policeman under Article 5, by filing a written election with the Board on or before January 31, 1992, and paying to the System by January 31, 1994 an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 5-236, and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.~~

~~Subject to the limitation in subsection (i), a State policeman, conservation police officer, or investigator for the Secretary of State may elect to establish eligible creditable service for up to 10 years of service as a sheriff's law enforcement employee under Article 7, by filing a written election with the Board on or before January 31, 1993, and paying to the System by January 31, 1994 an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 7-139.7, and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.~~

(i) The total amount of eligible creditable service established by any person under subsections (g), (h), (j), (k), and (l) of this Section shall not exceed 12 years.

(j) Subject to the limitation in subsection (i) of this Section, an alternative formula employee may elect to establish eligible creditable service for periods spent as a full-time law enforcement officer employed by the Chicago Transit Authority for which credit is not held in any other public employee pension fund or retirement system. To obtain this credit, the applicant must (1) irrevocably relinquish any credits that the applicant may have for the relevant period in the retirement system established under Section 22-101 of this Code, (2) file a written application with the Board within 90 days after the effective date of this amendatory Act of the 92nd General Assembly, accompanied by evidence of eligibility acceptable to the Board, and (3) pay to the System before retirement an amount to be determined by the Board, equal to (i) employee contributions for the credit being established, based upon the applicant's salary on the first day as an alternative formula employee after the employment for which credit is being established and the rates then applicable to an alternative formula employee, plus (ii) an amount determined by the Board to be the employer's normal cost of the benefits accrued for the credit being established, plus (iii) regular interest on the amounts in items (i) and (ii) from the first day as an alternative formula employee after the employment for which credit is being established to the date of payment.

~~Subject to the limitation in subsection (i), an investigator for the Office of the State's Attorneys Appellate Prosecutor or a controlled substance inspector may elect to establish eligible creditable service for up to 10 years of his service as a policeman~~

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~~under Article 3 or a sheriff's law enforcement employee under Article 7, by filing a written election with the Board, accompanied by payment of an amount to be determined by the Board, equal to (1) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.6 or 7-139.8, and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (2) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.~~

(k) Subject to the limitation in subsection (i) of this Section, an alternative formula employee may elect to establish eligible creditable service for periods spent as a full-time law enforcement officer or full-time corrections officer employed by the federal government or by a state or local government located outside of Illinois, for which credit is not held in any other public employee pension fund or retirement system. To obtain this credit, the applicant must file a written application with the Board by March 31, 1998, accompanied by evidence of eligibility acceptable to the Board and payment of an amount to be determined by the Board, equal to (1) employee contributions for the credit being established, based upon the applicant's salary on the first day as an alternative formula employee after the employment for which credit is being established and the rates then applicable to alternative formula employees, plus (2) an amount determined by the Board to be the employer's normal cost of the benefits accrued for the credit being established, plus (3) regular interest on the amounts in items (1) and (2) from the first day as an alternative formula employee after the employment for which credit is being established to the date of payment.

~~(1) (Blank). Subject to the limitation in subsection (i), a security employee of the Department of Corrections may elect, not later than July 1, 1998, to establish eligible creditable service for up to 10 years of his or her service as a policeman under Article 3, by filing a written election with the Board, accompanied by payment of an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.5, and the amounts that would have been contributed had such contributions been made at the rates applicable to security employees of the Department of Corrections, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.~~

(Source: P.A. 90-32, eff. 6-27-97; 91-357, eff. 7-29-99; 91-760, eff. 1-1-01.)

(40 ILCS 5/14-110.1 new)

Sec. 14-110.1. Optional formula retirement annuity.

(a) An employee, other than a contractual employee, who meets the eligibility requirements set forth in subsection (b) and is serving as:

(1) an employee of (i) the President, Minority Leader, or Secretary of the Senate or the Senate Operations Commission, (ii) the Speaker, Minority Leader, or Clerk of the House of Representatives, or (iii) any member of the General Assembly, if the employee is paid out of the member's office allowance under Section 4 of the General Assembly Compensation Act,

(2) Clerk or Assistant Clerk of the House of Representatives or Secretary or Assistant Secretary of the Senate,

(3) an employee of the Executive Office of the Governor,

(4) Secretary, Associate Secretary, or Division Manager of the General Assembly Retirement System,

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(5) Executive Director or Deputy Director of the Legislative Reference Bureau,

(6) Chief of Staff in the Office of the Lieutenant Governor,

(7) Auditor General or Deputy Auditor General, or

(8) Director or Deputy Director of the Bureau of the Budget may elect to become an optional formula employee while thenceforth engaged in such service by filing a written election with the board on or before the first day of the 13th month following the month in which this amendatory Act of the 92nd General Assembly takes effect.

(b) To be eligible to make the election under subsection (a), the person must (1) be employed on January 15, 2001 in one of the positions described in items (1) through (3) of subsection (a) or on February 15, 2001 in one of the positions described in items (4) through (8) of subsection (a); (2) be earning, on the date of election, a salary at least equal to the minimum salary provided by law for new members of the General Assembly; and (3) have completed, on or before the date of election, a total of at least 8 years of employment described in one or any combination of the following:

(i) employment in any of the positions described in items (1) through (8) of subsection (a) or as a member of the General Assembly,

(ii) employment as chief of staff or assistant comptroller, legislative director, deputy legislative director, legal counsel, or executive assistant to the legal counsel, for any State constitutional officer included in subsection (b) of Section 2-105,

(iii) performance of contractual services for a legislative leader, or

(iv) service as the director of a department organized under the Civil Administrative Code of Illinois.

(c) For an employee who has made the election under subsection (a), all creditable service in this System earned as an optional formula employee and all creditable service in this System derived from employment prior to the date of that election shall be deemed optional formula creditable service.

(d) A member who has attained age 55 and has at least 20 years of optional formula creditable service may elect, in lieu of any other retirement annuity under this Article, to receive an optional formula retirement annuity consisting of 3% of final average compensation for each year of optional formula creditable service, subject to a maximum of 80% of the member's final average compensation. The formula in this subsection does not apply to any service that is not optional formula creditable service.

(40 ILCS 5/14-111) (from Ch. 108 1/2, par. 14-111)

Sec. 14-111. Re-entry after retirement.

(a) An annuitant who re-enters the service of a department and receives compensation on a regular payroll shall receive no payments of the retirement annuity during the time he is so employed, with the following exceptions:

(1) An annuitant who is employed by a department while he or she is a continuing participant in the General Assembly Retirement System under Sections 2-117.1 and 14-105.4 will not be considered to have made a re-entry after retirement within the meaning of this Section for the duration of such continuing participation. Any person who is a continuing participant under Sections 2-117.1 and 14-105.4 on the effective date of this amendatory Act of 1991 and whose retirement annuity has been suspended under this Section shall be entitled to receive from the System a sum equal to the annuity payments that have been

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withheld under this Section, and shall receive the benefit of this amendment without regard to Section 1-103.1.

(2) An annuitant who accepts temporary employment from such a department for a period not exceeding 75 working days in any calendar year is not considered to make a re-entry after retirement within the meaning of this Section. Any part of a day on temporary employment is considered a full day of employment.

(b) If such person re-enters the service of a department, not as a temporary employee, contributions to the System shall begin as of the date of re-employment and additional creditable service shall begin to accrue. He shall assume the status of a member entitled to all rights and privileges in the System, including death and disability benefits, excluding a refund of contributions.

Upon subsequent retirement, his retirement annuity shall consist of:

(1) the amounts of the annuities terminated by re-entry into service; and

(2) the amount of the additional retirement annuity earned by the member during the period of additional membership service, which shall not be subject to reversionary annuity, if any.

The total retirement annuity shall not, however, exceed the maximum applicable to the member at the time of the subsequent original retirement. In the computation of any such retirement annuity, the time that the member was on retirement shall not interrupt the continuity of service for the computation of final average compensation and the additional membership service shall be considered, together with service rendered before the previous retirement, in establishing final average compensation.

A person who re-enters the service of a department within 3 years after retiring may qualify to have the retirement annuity computed as though the member had not previously retired by paying to the System, within 5 years after re-entry and prior to subsequent retirement, in a lump sum or in installment payments in accordance with such rules as may be adopted by the Board, an amount equal to all retirement payments received, including any payments received in accordance with subsection (c) or (d) of Section 14-130, plus regular interest from the date retirement payments were suspended to the date of repayment. (Source: P.A. 86-1488; 87-794.)

(40 ILCS 5/14-114) (from Ch. 108 1/2, par. 14-114)

Sec. 14-114. Automatic increase in retirement annuity.

(a) Any person receiving a retirement annuity under this Article who retires having attained age 60, or who retires before age 60 having at least 35 years of creditable service, or who retires on or after January 1, 2001 at an age which, when added to the number of years of his or her creditable service, equals at least 85, shall, on January 1 next following the first full year of retirement, have the amount of the then fixed and payable monthly retirement annuity increased 3%. Any person receiving a retirement annuity under this Article who retires before attainment of age 60 and with less than (i) 35 years of creditable service if retirement is before January 1, 2001, or (ii) the number of years of creditable service which, when added to the member's age, would equal 85, if retirement is on or after January 1, 2001, shall have the amount of the fixed and payable retirement annuity increased by 3% on the January 1 occurring on or next following (1) attainment of age 60, or (2) the first anniversary of retirement, whichever occurs later. However, for persons who receive the alternative retirement annuity under Section 14-110 or the optional formula retirement annuity under Section 14-110.1, references in this subsection (a) to attainment of age 60 shall be deemed to refer to attainment of age 55. For a person receiving

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early retirement incentives under Section 14-108.3 whose retirement annuity began after January 1, 1992 pursuant to an extension granted under subsection (e) of that Section, the first anniversary of retirement shall be deemed to be January 1, 1993.

On each January 1 following the date of the initial increase under this subsection, the employee's monthly retirement annuity shall be increased by an additional 3%.

Beginning January 1, 1990, all automatic annual increases payable under this Section shall be calculated as a percentage of the total annuity payable at the time of the increase, including previous increases granted under this Article.

(b) The provisions of subsection (a) of this Section shall be applicable to an employee only if the employee makes the additional contributions required after December 31, 1969 for the purpose of the automatic increases for not less than the equivalent of one full year. If an employee becomes an annuitant before his additional contributions equal one full year's contributions based on his salary at the date of retirement, the employee may pay the necessary balance of the contributions to the system, without interest, and be eligible for the increasing annuity authorized by this Section.

(c) The provisions of subsection (a) of this Section shall not be applicable to any annuitant who is on retirement on December 31, 1969, and thereafter returns to State service, unless the member has established at least one year of additional creditable service following reentry into service.

(d) In addition to other increases which may be provided by this Section, on January 1, 1981 any annuitant who was receiving a retirement annuity on or before January 1, 1971 shall have his retirement annuity then being paid increased \$1 per month for each year of creditable service. On January 1, 1982, any annuitant who began receiving a retirement annuity on or before January 1, 1977, shall have his retirement annuity then being paid increased \$1 per month for each year of creditable service.

On January 1, 1987, any annuitant who began receiving a retirement annuity on or before January 1, 1977, shall have the monthly retirement annuity increased by an amount equal to 8¢ per year of creditable service times the number of years that have elapsed since the annuity began.

(e) Every person who receives the alternative retirement annuity under Section 14-110 and who is eligible to receive the 3% increase under subsection (a) on January 1, 1986, shall also receive on that date a one-time increase in retirement annuity equal to the difference between (1) his actual retirement annuity on that date, including any increases received under subsection (a), and (2) the amount of retirement annuity he would have received on that date if the amendments to subsection (a) made by Public Act 84-162 had been in effect since the date of his retirement.

(Source: P.A. 91-927, eff. 12-14-00.)

(40 ILCS 5/14-120) (from Ch. 108 1/2, par. 14-120)

Sec. 14-120. Survivors annuities - Conditions for payments. A survivors annuity is established for all members of the System. Upon the death of any male person who was a member on July 19, 1961, however, his widow may have the option of receiving the widow's annuity provided in this Article, in lieu of the survivors annuity.

(a) A survivors annuity beneficiary, as herein defined, is eligible for a survivors annuity if the deceased member had completed at least 1 1/2 years of contributing creditable service if death occurred:

- (1) while in service;
- (2) while on an approved or authorized leave of absence

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from service, not exceeding one year continuously; or

(3) while in receipt of a non-occupational disability or an occupational disability benefit.

(b) If death of the member occurs after withdrawal, the survivors annuity beneficiary is eligible for such annuity only if the member had fulfilled at the date of withdrawal the prescribed service conditions for establishing a right in a retirement annuity.

(c) Payment of the survivors annuity shall begin immediately if the beneficiary is 50 years or over, or upon attainment of age 50 if the beneficiary is under that age at the date of the member's death. In the case of survivors of a member whose death occurred between November 1, 1970 and July 15, 1971, the payment of the survivors annuity shall begin upon October 1, 1977, if the beneficiary is then 50 years of age or older, or upon the attainment of age 50 if the beneficiary is under that age on October 1, 1977.

If an eligible child or children, under the care of the spouse also survive the member, the survivors annuity shall begin immediately without regard to whether the beneficiary has attained age 50.

Benefits under this Section shall accrue and be payable for whole calendar months, beginning on the first day of the month after the initiating event occurs and ending on the last day of the month in which the terminating event occurs.

(d) A survivor annuity beneficiary means:

(1) A spouse of a member or annuitant if:

(i) in the case of a member or annuitant who dies before the effective date of this amendatory Act of the 91st General Assembly, the current marriage with the member or annuitant was in effect for at least one year at the date of death or withdrawal, whichever first occurs; or

(ii) in the case of a member or annuitant who dies on or after the effective date of this amendatory Act of the 91st General Assembly, the current marriage with the member or annuitant was in effect for at least one year immediately prior to the date of death, regardless of the date of withdrawal.

(2) An unmarried child under age 18 (under age 22 if a full-time student) of the member or annuitant; an unmarried stepchild under age 18 (under age 22 if a full-time student) who has been such for at least one year at the date of the member's death or at least one year at the date of withdrawal, whichever first occurs; an unmarried adopted child under age 18 (under age 22 if a full-time student) if the adoption proceedings were initiated at least one year prior to the death or withdrawal of the member or annuitant, whichever first occurs; and an unmarried child over age 18 if he or she is dependent by reason of a physical or mental disability, so long as the physical or mental disability continues. For purposes of this subsection, disability means inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

(3) A dependent parent of the member or annuitant; a dependent step-parent by a marriage contracted before the member or annuitant attained age 18; or a dependent adopting parent by whom the member or annuitant was adopted before he or she attained age 18.

(e) Payment of a survivors annuity to a beneficiary terminates upon: (1) remarriage before age 55 (for periods prior to July 6,

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~~2000) that occurs before the effective date of this amendatory Act of the 91st General Assembly or death, if the beneficiary is a spouse; (2) marriage or death, if the beneficiary is a child; or (3) remarriage before age 55 or death, if the beneficiary is a parent. Remarriage of a prospective beneficiary prior to the attainment of age 50 disqualifies the beneficiary for the annuity expectancy hereunder until July 6, 2000, if the remarriage occurs before the effective date of this amendatory Act of the 91st General Assembly. Termination due to marriage or remarriage of a child or parent shall be permanent, regardless of any future changes in marital status.~~

A surviving spouse whose survivor's annuity has been terminated due to remarriage may apply for reinstatement of that annuity. The reinstated annuity shall begin to accrue on July 6, 2000, except that if, on July 6, 2000, the annuity is payable to an eligible surviving child or parent, payment of the annuity to the surviving spouse shall not be reinstated until the annuity is no longer payable to any eligible surviving child or parent. The reinstated annuity shall include any one-time or annual increases received prior to the date of termination, as well as any increases that would otherwise have accrued from the date of termination to the date of reinstatement. An eligible surviving spouse whose expectation of receiving a survivor's annuity was lost due to remarriage before attainment of age 50 shall also be entitled to reinstatement under this subsection, but the resulting survivor's annuity shall not begin to accrue sooner than upon the surviving spouse's attainment of age 50.

The substantive changes made to this subsection by Public Act 91-887 and this amendatory Act of the 92nd 91st General Assembly (pertaining to remarriage ~~prior to age 55 or 50~~) apply without regard to whether the deceased participant or annuitant was in service on or after the effective date of either this amendatory Act.

Any person whose survivors annuity was terminated during 1978 or 1979 due to remarriage at age 55 or over shall be eligible to apply, not later than July 1, 1990, for a resumption of that annuity, to begin on July 1, 1990.

(f) The term "dependent" relating to a survivors annuity means a beneficiary of a survivors annuity who was receiving from the member at the date of the member's death at least 1/2 of the support for maintenance including board, lodging, medical care and like living costs.

(g) If there is no eligible spouse surviving the member, or if a survivors annuity beneficiary includes a spouse who dies or is disqualified by remarriage, the annuity is payable to an unmarried child or children. If at the date of death of the member there is no spouse or unmarried child, payments shall be made to a dependent parent or parents. If no eligible survivors annuity beneficiary survives the member, the non-occupational death benefit is payable in the manner provided in this Article.

(h) Survivor benefits do not affect any reversionary annuity.

(i) If a survivors annuity beneficiary becomes entitled to a widow's annuity or one or more survivors annuities or both such annuities, the beneficiary shall elect to receive only one of such annuities.

(j) Contributing creditable service under the State Universities Retirement System and the Teachers' Retirement System of the State of Illinois shall be considered in determining whether the member has met the contributing service requirements of this Section.

(k) In lieu of the Survivor's Annuity described in this Section, the spouse of the member has the option to select the Nonoccupational Death Benefit described in this Article, provided the spouse is the sole survivor and the sole nominated beneficiary of the member.

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(1) The changes made to this Section and Sections 14-118, 14-119, and 14-128 by this amendatory Act of 1997, relating to benefits for certain unmarried children who are full-time students under age 22, apply without regard to whether the deceased member was in service on or after the effective date of this amendatory Act of 1997. These changes do not authorize the repayment of a refund or a re-election of benefits, and any benefit or increase in benefits resulting from these changes is not payable retroactively for any period before the effective date of this amendatory Act of 1997. (Source: P.A. 90-448, eff. 8-16-97; 91-357, eff. 7-29-99; 91-887, eff. 7-6-00.)

(40 ILCS 5/14-123.1) (from Ch. 108 1/2, par. 14-123.1)

Sec. 14-123.1. Temporary disability benefit.

(a) A member who has at least 18 months of creditable service and who becomes physically or mentally incapacitated to perform the duties of his position shall receive a temporary disability benefit, provided that:

(1) the agency responsible for determining the liability of the State (i) has formally denied all employer-paid temporary total disability benefits under the Workers' Compensation Act or the Workers' Occupational Diseases Act and an appeal of that denial is pending before the Industrial Commission of Illinois, or (ii) has granted and then terminated for any reason an employer-paid temporary total disability benefit and the member has filed a petition for emergency hearing under Section 19(b-1) of the Workers' Compensation Act or Section 19(b-1) of the Workers' Occupational Diseases Act; and

(2) application is made not later than (i) 12 months after the date that the disability results in loss of pay, (ii) 12 months after the date the agency responsible for determining the liability of the State under the Workers' Compensation Act or Workers' Occupational Diseases Act has formally denied or terminated the employer-paid temporary total disability benefit, or (iii) in the case of termination of an employer-paid temporary total disability benefit, 12 months after the effective date of this amendatory Act of 1995, whichever occurs last; and

(3) proper proof is received from one or more physicians designated by the Board certifying that the member is mentally or physically incapacitated.

(b) In the case of a denial of benefits, the temporary disability benefit shall begin to accrue on the 31st day of absence from work on account of disability, but the benefit shall not become actually payable to the member until the expiration of 31 days from the day upon which the member last received or had a right to receive any compensation.

In the case of termination of an employer-paid temporary total disability benefit, the temporary disability benefit under this Section shall be calculated from the day following the date of termination of the employer-paid benefit or the 31st day of absence from work on account of disability, whichever is later, but shall not become payable to the member until (i) the member's right to an employer-paid temporary total disability benefit is denied as a result of the emergency hearing held under Section 19(b-1) of the Workers' Compensation Act or Section 19(b-1) of the Workers' Occupational Diseases Act or (ii) the expiration of 150 days from the date of termination of the employer-paid benefit, whichever occurs first. If a terminated employer-paid temporary total disability benefit is resumed or replaced with another employer-paid disability benefit and the resumed or replacement benefit is later terminated and the member again files a petition for emergency

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hearing under Section 19(b-1) of the Workers' Compensation Act or Section 19(b-1) of the Workers' Occupational Diseases Act, the member may again become eligible to receive a temporary disability benefit under this Section. The waiting period before the temporary disability benefit under this Section becomes payable applies each time that the benefit is reinstated.

The benefit shall continue to accrue until the first of the following events occurs:

- (1) the disability ceases;
- (2) the member engages in gainful employment;
- (3) the end of the month in which the member attains age 65, in the case of benefits commencing prior to attainment of age 60;
- (4) the end of the month following the fifth anniversary of the effective date of the benefit in the case of benefits commencing on or after attainment of age 60;
- (5) the end of the month in which the death of the member occurs;
- (6) the end of the month in which the aggregate period for which temporary disability payments have been made becomes equal to 1/2 of the member's total period of creditable service, not including the time for which he has received a temporary disability benefit or nonoccupational disability benefit; for purposes of this item (6) only, in the case of a member to whom Section 14-108.2a or 14-108.2b applies and who, at the time disability commences, is performing services for the Illinois Department of Public Health or the Department of State Police relating to the transferred functions referred to in that Section and has less than 10 years of creditable service under this Article, the member's "total period of creditable service" shall be augmented by an amount equal to (i) one half of the member's period of creditable service in the Fund established under Article 8 (excluding any creditable service over 20 years), minus (ii) the amount of the member's creditable service under this Article;
- (7) a payment is made on the member's claim pursuant to a determination made by the agency responsible for determining the liability of the State under the Workers' Compensation Act or the Workers' Occupational Diseases Act;
- (8) a final determination is made on the member's claim by the Industrial Commission of Illinois.

(c) The temporary disability benefit shall be 50% of the member's final average compensation at the date of disability.

If a covered employee is eligible under the Social Security Act for a disability benefit--before-attaining-age-65, or a retirement benefit on-or-after-attaining-age-65, then the amount of the member's temporary disability benefit shall be reduced by the amount of primary benefit the member is eligible to receive under the Social Security Act, whether or not such eligibility came about as the result of service as a covered employee under this Article. The Board may make such reduction pending a determination of eligibility if it appears that the employee may be so eligible, and shall make an appropriate adjustment if necessary after such determination has been made. The amount of temporary disability benefit payable under this Article shall not be reduced by reason of any increase in benefits payable under the Social Security Act which occurs after the reduction required by this paragraph has been applied.

(d) The temporary disability benefit provided under this Section is intended as a temporary payment of occupational or nonoccupational disability benefit, whichever is appropriate, in cases in which the

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occupational or nonoccupational character of the disability has not been finally determined.

When an employer-paid disability benefit is paid or resumed, the Board shall calculate the benefit that is payable under Section 14-123 and shall deduct from the benefit payable under Section 14-123 the amounts already paid under this Section; those amounts shall then be treated as if they had been paid under Section 14-123.

When a final determination of the character of the disability has been made by the Industrial Commission of Illinois, or by settlement between the parties to the disputed claim, the Board shall calculate the benefit that is payable under Section 14-123 or 14-124, whichever is applicable, and shall deduct from such benefit the amounts already paid under this Section; such amounts shall then be treated as if they had been paid under such Section 14-123 or 14-124.

(e) Any excess benefits paid under this Section shall be subject to recovery by the System from benefits payable under the Workers' Compensation Act or the Workers' Occupational Diseases Act or from third parties as provided in Section 14-129, or from any other benefits payable either to the member or on his behalf under this Article. A member who accepts benefits under this Section acknowledges and authorizes these recovery rights of the System.

(f) Service credits under the State Universities Retirement System and the Teachers' Retirement System of the State of Illinois shall be considered for the purposes of determining temporary disability benefit eligibility under this Section, and for determining the total period of time for which such benefits are payable.

(g) The Board shall prescribe rules and regulations governing the filing of claims for temporary disability benefits, and the investigation, control and supervision of such claims.

(h) References in this Section to employer-paid benefits include benefits paid for by the State, either directly or through a program of insurance or self-insurance, whether paid through the member's own department or through some other department or entity; but the term does not include benefits paid by the System under this Article.

(Source: P.A. 88-535; 89-136, eff. 7-14-95; 89-246, eff. 8-4-95; 89-626, eff. 8-9-96.)

(40 ILCS 5/14-125) (from Ch. 108 1/2, par. 14-125)

Sec. 14-125. Nonoccupational disability benefit - amount of. The nonoccupational disability benefit shall be 50% of the member's final average compensation at the time disability occurred. In the case of a member whose benefit was resumed due to the same disability, the amount of the benefit shall be the same as that last paid before resumption of State employment. In the event that a temporary disability benefit has been received, the nonoccupational disability benefit shall be subject to adjustment by the Board under Section 14-123.1.

If a covered employee is eligible for a disability benefit before attaining age-65 or a retirement benefit on or after attaining age-65 under the federal Social Security Act, the amount of the member's nonoccupational disability benefit shall be reduced by the amount of primary benefit the member would be eligible to receive under such Act, whether or not entitlement thereto came about as the result of service as a covered employee under this Article. The Board may make such reduction if it appears that the employee may be so eligible pending determination of eligibility and make an appropriate adjustment if necessary after such determination. The amount of any nonoccupational disability benefit payable under this Article shall not be reduced by reason of any increase under the Federal Social Security Act which occurs after the offset required by this Section

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is first applied to that benefit.

(Source: P.A. 84-1028.)

(40 ILCS 5/14-128) (from Ch. 108 1/2, par. 14-128)

Sec. 14-128. Occupational death benefit. An occupational death benefit is provided for a member of the System whose death, prior to retirement, is the proximate result of bodily injuries sustained or a hazard undergone while in the performance and within the scope of the member's duties.

(a) Conditions for payment.

Exclusive of the lump sum payment provided for herein, all annuities under this Section shall accrue and be payable for complete calendar months, beginning on the first day of the month next following the month in which the initiating event occurs and ending on the last day of the month in which the terminating event occurs.

The following named survivors of the member may be eligible for an annuity under this Section:

(i) The member's spouse.

(ii) An unmarried child of the member under age 18 (under age 22 if a full-time student); an unmarried stepchild under age 18 (under age 22 if a full-time student) who has been such for at least one year at the date of the member's death; an unmarried adopted child under age 18 (under age 22 if a full-time student) if the adoption proceedings were initiated at least one year prior to the death of the member; and an unmarried child over age 18 who is dependent by reason of a physical or mental disability, for so long as such physical or mental disability continues. For the purposes of this Section disability means inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

(iii) If no spouse or eligible children survive: a dependent parent of the member; a dependent step-parent by a marriage contracted before the member attained age 18; or a dependent adopting parent by whom the member was adopted before he or she attained age 18.

The term "dependent" relating to an occupational death benefit means a survivor of the member who was receiving from the member at the date of the member's death at least 1/2 of the support for maintenance including board, lodging, medical care and like living costs.

Payment of the annuity shall continue until the occurrence of the following:

- (1) remarriage before age 55 (~~for periods prior to July 6, 2000 that occurs before the effective date of this amendatory Act of the 91st General Assembly~~ or death, in the case of a surviving spouse;
- (2) attainment of age 18 or termination of disability, death, or marriage, in the case of an eligible child;
- (3) remarriage before age 55 or death, in the case of a dependent parent.

If none of the aforementioned beneficiaries is living at the date of death of the member, no occupational death benefit shall be payable, but the nonoccupational death benefit shall be payable as provided in this Article.

A surviving spouse whose occupational death benefit annuity has been terminated due to remarriage may apply for reinstatement of that annuity. The reinstated annuity shall begin to accrue on July 6, 2000, except that if, on July 6, 2000, the annuity is payable to an eligible surviving child or parent, payment of the annuity to the

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surviving spouse shall not be reinstated until the annuity is no longer payable to any eligible surviving child or parent. The reinstated annuity shall include any one-time or annual increases received prior to the date of termination, as well as any increases that would otherwise have accrued from the date of termination to the date of reinstatement.

The changes ~~change~~ made to this subsection by Public Act 91-887 and this amendatory Act of the 92nd ~~91st~~ General Assembly (pertaining to remarriage ~~prier--to--age--55~~) apply ~~applies~~ without regard to whether the deceased member was in service on or after the effective date of either this amendatory Act.

(b) Amount of benefit.

The member's accumulated contributions plus credited interest shall be payable in a lump sum to such person as the member has nominated by written direction, duly acknowledged and filed with the Board, or if no such nomination to the estate of the member. When an annuitant is re-employed by a Department, the accumulated contributions plus credited interest payable on the member's account shall, if the member has not previously elected a reversionary annuity, consist of the excess, if any, of the member's total accumulated contributions plus credited interest for all creditable service over the total amount of all retirement annuity payments received by the member prior to death.

In addition to the foregoing payment, an annuity is provided for eligible survivors as follows:

(1) If the survivor is a spouse only, the annuity shall be 50% of the member's final average compensation.

(2) If the spouse has in his or her care an eligible child or children, the annuity shall be increased by an amount equal to 15% of the final average compensation on account of each such child, subject to a limitation on the combined annuities to a surviving spouse and children of 75% of final average compensation.

(3) If there is no surviving spouse, or if the surviving spouse dies or remarries while a child remains eligible, then each such child shall be entitled to an annuity of 15% of the deceased member's final average compensation, subject to a limitation of 50% of final average compensation to all such children.

(4) If there is no surviving spouse or eligible children, then an annuity shall be payable to the member's dependent parents, equal to 25% of final average compensation to each such beneficiary.

If any annuity payable under this Section is less than the corresponding survivors annuity, the beneficiary or beneficiaries of the annuity under this Section may elect to receive the survivors annuity and the nonoccupational death benefit provided for in this Article in lieu of the annuity provided under this Section.

(c) Occupational death claims pending adjudication by the Industrial Commission or a ruling by the agency responsible for determining the liability of the State under the "Workers' Compensation Act" or "Workers' Occupational Diseases Act" shall be payable under Sections 14-120 and 14-121 until a ruling or adjudication occurs, if the beneficiary or beneficiaries: (1) meet all conditions for payment as prescribed in this Article; and (2) execute an assignment of benefits payable as a result of adjudication by the Industrial Commission or a ruling by the agency responsible for determining the liability of the State under such Acts. The assignment shall be made to the System and shall be for an amount equal to the excess of benefits paid under Sections 14-120 and 14-121

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over benefits payable as a result of adjudication of the workers' compensation claim computed from the date of death of the member.

(d) Every occupational death annuity payable under this Section shall be increased on each January 1 occurring on or after (i) January 1, 1990, or (ii) the first anniversary of the commencement of the annuity, whichever occurs later, by an amount equal to 3% of the current amount of the annuity, including any previous increases under this Article, without regard to whether the deceased member was in service on the effective date of this amendatory Act of 1991.

(Source: P.A. 90-448, eff. 8-16-97; 91-887, eff. 7-6-00.)

(40 ILCS 5/14-133) (from Ch. 108 1/2, par. 14-133)

Sec. 14-133. Contributions on behalf of members.

(a) Each participating employee shall make contributions to the System, based on the employee's compensation, as follows:

(1) Covered employees, except as indicated below, 3.5% for retirement annuity, and 0.5% for a widow or survivors annuity;

(2) Noncovered employees, except as indicated below, 7% for retirement annuity and 1% for a widow or survivors annuity;

(3) Noncovered employees serving in a position in which "eligible creditable service" as defined in Section 14-110 may be earned, 8.5% for retirement annuity and 1% for a widow or survivors annuity;

(4) Covered employees serving in a position in which "eligible creditable service" as defined in Section 14-110 may be earned, 5% for retirement annuity and 0.5% for a widow or survivors annuity;

(5) Each security employee of the Department of Corrections or of the Department of Human Services who is a covered employee, 5% for retirement annuity and 0.5% for a widow or survivors annuity;

(6) Each security employee of the Department of Corrections or of the Department of Human Services who is not a covered employee, 8.5% for retirement annuity and 1% for a widow or survivors annuity;

(7) Optional formula employees, 6% for retirement annuity and 0.5% for a widow or survivors annuity.

(b) Contributions shall be in the form of a deduction from compensation and shall be made notwithstanding that the compensation paid in cash to the employee shall be reduced thereby below the minimum prescribed by law or regulation. Each member is deemed to consent and agree to the deductions from compensation provided for in this Article, and shall receipt in full for salary or compensation.

(Source: P.A. 89-507, eff. 7-1-97; 90-448, eff. 8-16-97.)

(40 ILCS 5/15-112) (from Ch. 108 1/2, par. 15-112)

Sec. 15-112. Final rate of earnings. "Final rate of earnings":

For an employee who is paid on an hourly basis or who receives an annual salary in installments during 12 months of each academic year, the average annual earnings during the 48 consecutive calendar month period ending with the last day of final termination of employment or the 4 consecutive academic years of service in which the employee's earnings were the highest, whichever is greater. For any other employee, the average annual earnings during the 4 consecutive academic years of service in which his or her earnings were the highest. For an employee with less than 48 months or 4 consecutive academic years of service, the average earnings during his or her entire period of service. The earnings of an employee with more than 36 months of service prior to the date of becoming a participant are, for such period, considered equal to the average earnings during the last 36 months of such service. For an employee on leave of absence with pay, or on leave of absence without pay who makes contributions

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during such leave, earnings are assumed to be equal to the basic compensation on the date the leave began. For an employee on disability leave, earnings are assumed to be equal to the basic compensation on the date disability occurs or the average earnings during the 24 months immediately preceding the month in which disability occurs, whichever is greater.

For a participant who retires on or after the effective date of this amendatory Act of 1997 with at least 20 years of service as a firefighter or police officer under this Article, the final rate of earnings shall be the annual rate of earnings received by the participant on his or her last day as a firefighter or police officer under this Article, if that is greater than the final rate of earnings as calculated under the other provisions of this Section.

If a participant is an employee for at least 6 months during the academic year in which his or her employment is terminated, the annual final rate of earnings shall be 25% of the sum of (1) the annual basic compensation for that year, and (2) the amount earned during the 36 months immediately preceding that year, if this is greater than the final rate of earnings as calculated under the other provisions of this Section.

In the determination of the final rate of earnings for an employee, that part of an employee's earnings for any academic year beginning after June 30, 1997, which exceeds the employee's earnings with that employer for the preceding year by more than 20 percent shall be excluded; in the event that an employee has more than one employer this limitation shall be calculated separately for the earnings with each employer. In making such calculation, only the basic compensation of employees shall be considered, without regard to vacation or overtime or to contracts for summer employment.

The following are not considered as earnings in determining final rate of earnings: severance or separation pay, retirement pay, payment for in-lieu-of unused sick leave and payments from an employer for the period used in determining final rate of earnings for any purpose other than services rendered, leave of absence or vacation granted during that period, and vacation of up to 56 work days allowed upon termination of employment; except that, if the benefit has been collectively bargained between the employer and the recognized collective bargaining agent pursuant to the Illinois Educational Labor Relations Act, payment received during a period of up to 2 academic years for unused sick leave may be considered as earnings in accordance with the applicable collective bargaining agreement, subject to the 20% increase limitation of this Section. Any unused sick leave considered as earnings under this Section shall not be taken into account in calculating service credit under Section 15-113.4.

Intermittent periods of service shall be considered as consecutive in determining final rate of earnings.

(Source: P.A. 90-65, eff. 7-7-97; 90-511, eff. 8-22-97; 91-887, eff. 7-6-00.)

(40 ILCS 5/15-134.6 new)

Sec. 15-134.6. Transfer of certain creditable service to the Article 14 retirement system.

(a) An active member of the Article 14 retirement system who is employed in a position for which he or she earns eligible creditable service as defined in Section 14-110 of this Code may transfer all or a portion of his or her creditable service accumulated under this System for service as a police officer to the Article 14 retirement system in accordance with Section 14-110. The transfer of creditable service shall be accompanied by payment from this System to the Article 14 retirement system of:

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(1) the amounts credited to the applicant for the service to be transferred through employee contributions, including interest, as of the date of transfer; and

(2) employer contributions equal to the amount determined under item (1); and

(3) any interest paid by the applicant in order to reinstate the service to be transferred.

Participation in this System with respect to the transferred service shall terminate on the date of transfer.

(b) A person transferring creditable service under subsection (a) may reinstate service that was terminated by receipt of a refund, by paying to the System the amount of the refund plus interest thereon at the effective rate from the date of the refund to the date of payment.

(40 ILCS 5/15-135.1)

Sec. 15-135.1. Election to avoid application of P.A. 90-65.

(a) A participant who was an employee on July 7, 1997 and retires on or after July 30, 1999 ~~the effective date of this amendatory Act of the 91st General Assembly~~ may elect in writing at the time of retirement to have the retirement annuity calculated in accordance with the provisions of Sections 15-135 and 15-136 as they existed immediately prior to amendment by Public Act 90-65. This election, once made, is irrevocable.

(a-1) A participant who was an employee on July 7, 1997 and retired on or after January 1, 1998 but before July 30, 1999 may elect in writing, within 60 days after the effective date of this amendatory Act of the 92nd General Assembly, to have the retirement annuity calculated in accordance with the provisions of Sections 15-135 and 15-136 as they existed immediately prior to amendment by Public Act 90-65. This election is prospective only and, once made, is irrevocable. When an election under this subsection (a-1) is made, the System shall recalculate the retirement annuity, effective on the next annuity payment date following the date of election. The election applies to group insurance costs that become payable after the Department of Central Management Services is notified of the election under subsection (c), but does not entitle the person to a refund of any group insurance costs already paid.

(b) The fact that a person has elected to participate in the optional retirement program under Section 15-158.2 or has elected the portability option under subsection (a-1) of Section 15-154 does not prevent the person from making an election under subsection (a) or (a-1) of this Section; the fact that such a person makes an election under subsection (a) or (a-1) of this Section does not allow the person to change the irrevocable election that he or she made under Section 15-158.2 or subsection (a-1) of Section 15-154.

(c) The System shall promptly notify the Department of Central Management Services of each election made under this Section.
(Source: P.A. 91-395, eff. 7-30-99.)

(40 ILCS 5/15-145) (from Ch. 108 1/2, par. 15-145)

Sec. 15-145. Survivors insurance benefits; conditions and amounts.

(a) The survivors insurance benefits provided under this Section shall be payable to the eligible survivors of a participant covered under the traditional benefit package upon the death of (1) a participating employee with at least 1 1/2 years of service, (2) a participant who terminated employment with at least 10 years of service, and (3) an annuitant in receipt of a retirement annuity or disability retirement annuity under this Article.

Service under the State Employees' Retirement System of Illinois, the Teachers' Retirement System of the State of Illinois and the

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Public School Teachers' Pension and Retirement Fund of Chicago shall be considered in determining eligibility for survivors benefits under this Section.

If by law, a function of a governmental unit, as defined by Section 20-107, is transferred in whole or in part to an employer, and an employee transfers employment from this governmental unit to such employer within 6 months after the transfer of this function, the service credits in the governmental unit's retirement system which have been validated under Section 20-109 shall be considered in determining eligibility for survivors benefits under this Section.

(b) A surviving spouse of a deceased participant, or of a deceased annuitant who did not take a refund or additional annuity consisting of accumulated survivors insurance contributions, shall receive a survivors annuity of 30% of the final rate of earnings. Payments shall begin on the day following the participant's or annuitant's death or the date the surviving spouse attains age 50, whichever is later, and continue until the death of the surviving spouse. The annuity shall be payable to the surviving spouse prior to attainment of age 50 if the surviving spouse has in his or her care a deceased participant's or annuitant's dependent unmarried child under age 18 (under age 22 if a full-time student) who is eligible for a survivors annuity.

Remarriage of a surviving spouse prior to attainment of age 55 that occurs before the effective date of this amendatory Act of the 91st General Assembly shall disqualify him or her for the receipt of a survivors annuity until July 6, 2000.

A surviving spouse whose survivors annuity has been terminated due to remarriage may apply for reinstatement of that annuity. The reinstated annuity shall begin to accrue on July 6, 2000, except that if, on July 6, 2000, the annuity is payable to an eligible surviving child or parent, payment of the annuity to the surviving spouse shall not be reinstated until the annuity is no longer payable to any eligible surviving child or parent. The reinstated annuity shall include any one-time or annual increases received prior to the date of termination, as well as any increases that would otherwise have accrued from the date of termination to the date of reinstatement. An eligible surviving spouse whose expectation of receiving a survivors annuity was lost due to remarriage before attainment of age 50 shall also be entitled to reinstatement under this subsection, but the resulting survivors annuity shall not begin to accrue sooner than upon the surviving spouse's attainment of age 50.

The changes made to this subsection by this amendatory Act of the 92nd General Assembly (pertaining to remarriage) apply without regard to whether the deceased participant or annuitant was in service on or after the effective date of this amendatory Act.

(c) Each dependent unmarried child under age 18 (under age 22 if a full-time student) of a deceased participant, or of a deceased annuitant who did not take a refund or additional annuity consisting of accumulated survivors insurance contributions, shall receive a survivors annuity equal to the sum of (1) 20% of the final rate of earnings, and (2) 10% of the final rate of earnings divided by the number of children entitled to this benefit. Payments shall begin on the day following the participant's or annuitant's death and continue until the child marries, dies, or attains age 18 (age 22 if a full-time student). If the child is in the care of a surviving spouse who is eligible for survivors insurance benefits, the child's benefit shall be paid to the surviving spouse.

Each unmarried child over age 18 of a deceased participant or of a deceased annuitant who had a survivor's insurance beneficiary at the time of his or her retirement, and who was dependent upon the

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participant or annuitant by reason of a physical or mental disability which began prior to the date the child attained age 18 (age 22 if a full-time student), shall receive a survivor's annuity equal to the sum of (1) 20% of the final rate of earnings, and (2) 10% of the final rate of earnings divided by the number of children entitled to survivors benefits. Payments shall begin on the day following the participant's or annuitant's death and continue until the child marries, dies, or is no longer disabled. If the child is in the care of a surviving spouse who is eligible for survivors insurance benefits, the child's benefit may be paid to the surviving spouse. For the purposes of this Section, disability means inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of at least one year.

(d) Each dependent parent of a deceased participant, or of a deceased annuitant who did not take a refund or additional annuity consisting of accumulated survivors insurance contributions, shall receive a survivors annuity equal to the sum of (1) 20% of final rate of earnings, and (2) 10% of final rate of earnings divided by the number of parents who qualify for the benefit. Payments shall begin when the parent reaches age 55 or the day following the participant's or annuitant's death, whichever is later, and continue until the parent dies. Remarriage of a parent prior to attainment of age 55 shall disqualify the parent for the receipt of a survivors annuity.

(e) In addition to the survivors annuity provided above, each survivors insurance beneficiary shall, upon death of the participant or annuitant, receive a lump sum payment of \$1,000 divided by the number of such beneficiaries.

(f) The changes made in this Section by Public Act 81-712 pertaining to survivors annuities in cases of remarriage prior to age 55 shall apply to each survivors insurance beneficiary who remarries after June 30, 1979, regardless of the date that the participant or annuitant terminated his employment or died.

The change made to this Section by this amendatory Act of the 91st General Assembly, pertaining to remarriage prior to age 55, applies without regard to whether the deceased participant or annuitant was in service on or after the effective date of this amendatory Act of the 91st General Assembly.

(g) On January 1, 1981, any person who was receiving a survivors annuity on or before January 1, 1971 shall have the survivors annuity then being paid increased by 1% for each full year which has elapsed from the date the annuity began. On January 1, 1982, any survivor whose annuity began after January 1, 1971, but before January 1, 1981, shall have the survivor's annuity then being paid increased by 1% for each year which has elapsed from the date the survivor's annuity began. On January 1, 1987, any survivor who began receiving a survivor's annuity on or before January 1, 1977, shall have the monthly survivor's annuity increased by \$1 for each full year which has elapsed since the date the survivor's annuity began.

(h) If the sum of the lump sum and total monthly survivor benefits payable under this Section upon the death of a participant amounts to less than the sum of the death benefits payable under items (2) and (3) of Section 15-141, the difference shall be paid in a lump sum to the beneficiary of the participant who is living on the date that this additional amount becomes payable.

(i) If the sum of the lump sum and total monthly survivor benefits payable under this Section upon the death of an annuitant receiving a retirement annuity or disability retirement annuity amounts to less than the death benefit payable under Section 15-142,

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the difference shall be paid to the beneficiary of the annuitant who is living on the date that this additional amount becomes payable.

(j) Effective on the later of (1) January 1, 1990, or (2) the January 1 on or next after the date on which the survivor annuity begins, if the deceased member died while receiving a retirement annuity, or in all other cases the January 1 nearest the first anniversary of the date the survivor annuity payments begin, every survivors insurance beneficiary shall receive an increase in his or her monthly survivors annuity of 3%. On each January 1 after the initial increase, the monthly survivors annuity shall be increased by 3% of the total survivors annuity provided under this Article, including previous increases provided by this subsection. Such increases shall apply to the survivors insurance beneficiaries of each participant and annuitant, whether or not the employment status of the participant or annuitant terminates before the effective date of this amendatory Act of 1990. This subsection (j) also applies to persons receiving a survivor annuity under the portable benefit package.

(k) If the Internal Revenue Code of 1986, as amended, requires that the survivors benefits be payable at an age earlier than that specified in this Section the benefits shall begin at the earlier age, in which event, the survivor's beneficiary shall be entitled only to that amount which is equal to the actuarial equivalent of the benefits provided by this Section.

(l) The changes made to this Section and Section 15-131 by this amendatory Act of 1997, relating to benefits for certain unmarried children who are full-time students under age 22, apply without regard to whether the deceased member was in service on or after the effective date of this amendatory Act of 1997. These changes do not authorize the repayment of a refund or a re-election of benefits, and any benefit or increase in benefits resulting from these changes is not payable retroactively for any period before the effective date of this amendatory Act of 1997.

(Source: P.A. 90-448, eff. 8-16-97; 90-766, eff. 8-14-98; 91-887, eff. 7-6-00.)

(40 ILCS 5/16-127) (from Ch. 108 1/2, par. 16-127)

Sec. 16-127. Computation of creditable service.

(a) Each member shall receive regular credit for all service as a teacher from the date membership begins, for which satisfactory evidence is supplied and all contributions have been paid.

(b) The following periods of service shall earn optional credit and each member shall receive credit for all such service for which satisfactory evidence is supplied and all contributions have been paid as of the date specified:

(1) Prior service as a teacher.

(2) Service in a capacity essentially similar or equivalent to that of a teacher, in the public common schools in school districts in this State not included within the provisions of this System, or of any other State, territory, dependency or possession of the United States, or in schools operated by or under the auspices of the United States, or under the auspices of any agency or department of any other State, and service during any period of professional speech correction or special education experience for a public agency within this State or any other State, territory, dependency or possession of the United States, and service prior to February 1, 1951 as a recreation worker for the Illinois Department of Public Safety, for a period not exceeding the lesser of 2/5 of the total creditable service of the member or 10 years. The maximum service of 10 years which is allowable under this paragraph shall be reduced by the service

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credit which is validated by other retirement systems under paragraph (i) of Section 15-113 and paragraph 1 of Section 17-133. Credit granted under this paragraph may not be used in determination of a retirement annuity or disability benefits unless the member has at least 5 years of creditable service earned subsequent to this employment with one or more of the following systems: Teachers' Retirement System of the State of Illinois, State Universities Retirement System, and the Public School Teachers' Pension and Retirement Fund of Chicago. Whenever such service credit exceeds the maximum allowed for all purposes of this Article, the first service rendered in point of time shall be considered. The changes to this subdivision (b)(2) made by Public Act 86-272 shall apply not only to persons who on or after its effective date (August 23, 1989) are in service as a teacher under the System, but also to persons whose status as such a teacher terminated prior to such effective date, whether or not such person is an annuitant on that date.

(3) Any periods immediately following teaching service, under this System or under Article 17, (or immediately following service prior to February 1, 1951 as a recreation worker for the Illinois Department of Public Safety) spent in active service with the military forces of the United States; periods spent in educational programs that prepare for return to teaching sponsored by the federal government following such active military service; if a teacher returns to teaching service within one calendar year after discharge or after the completion of the educational program, a further period, not exceeding one calendar year, between time spent in military service or in such educational programs and the return to employment as a teacher under this System; and a period of up to 2 years of active military service not immediately following employment as a teacher.

The changes to this Section and Section 16-128 relating to military service made by P.A. 87-794 shall apply not only to persons who on or after its effective date are in service as a teacher under the System, but also to persons whose status as a teacher terminated prior to that date, whether or not the person is an annuitant on that date. In the case of an annuitant who applies for credit allowable under this Section for a period of military service that did not immediately follow employment, and who has made the required contributions for such credit, the annuity shall be recalculated to include the additional service credit, with the increase taking effect on the date the System received written notification of the annuitant's intent to purchase the credit, if payment of all the required contributions is made within 60 days of such notice, or else on the first annuity payment date following the date of payment of the required contributions. In calculating the automatic annual increase for an annuity that has been recalculated under this Section, the increase attributable to the additional service allowable under P.A. 87-794 shall be included in the calculation of automatic annual increases accruing after the effective date of the recalculation.

Credit for military service shall be determined as follows: if entry occurs during the months of July, August, or September and the member was a teacher at the end of the immediately preceding school term, credit shall be granted from July 1 of the year in which he or she entered service; if entry occurs during the school term and the teacher was in teaching service at the beginning of the school term, credit shall be granted from July 1

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of such year. In all other cases where credit for military service is allowed, credit shall be granted from the date of entry into the service.

The total period of military service for which credit is granted shall not exceed 5 years for any member unless the service: (A) is validated before July 1, 1964, and (B) does not extend beyond July 1, 1963. Credit for military service shall be granted under this Section only if not more than 5 years of the military service for which credit is granted under this Section is used by the member to qualify for a military retirement allotment from any branch of the armed forces of the United States. The changes to this subdivision (b)(3) made by Public Act 86-272 shall apply not only to persons who on or after its effective date (August 23, 1989) are in service as a teacher under the System, but also to persons whose status as such a teacher terminated prior to such effective date, whether or not such person is an annuitant on that date.

(4) Any periods served as a member of the General Assembly.

(5)(i) Any periods for which a teacher, as defined in Section 16-106, is granted a leave of absence, provided he or she returns to teaching service creditable under this System or the State Universities Retirement System following the leave; (ii) periods during which a teacher is involuntarily laid off from teaching, provided he or she returns to teaching following the lay-off; (iii) periods prior to July 1, 1983 during which a teacher ceased covered employment due to pregnancy, provided that the teacher returned to teaching service creditable under this System or the State Universities Retirement System following the pregnancy and submits evidence satisfactory to the Board documenting that the employment ceased due to pregnancy; and (iv) periods prior to July 1, 1983 during which a teacher ceased covered employment for the purpose of adopting an infant under 3 years of age or caring for a newly adopted infant under 3 years of age, provided that the teacher returned to teaching service creditable under this System or the State Universities Retirement System following the adoption and submits evidence satisfactory to the Board documenting that the employment ceased for the purpose of adopting an infant under 3 years of age or caring for a newly adopted infant under 3 years of age. However, total credit under this paragraph (5) may not exceed 3 years.

Any qualified member or annuitant may apply for credit under item (iii) or (iv) of this paragraph (5) without regard to whether service was terminated before the effective date of this amendatory Act of 1997. In the case of an annuitant who establishes credit under item (iii) or (iv), the annuity shall be recalculated to include the additional service credit. The increase in annuity shall take effect on the date the System receives written notification of the annuitant's intent to purchase the credit, if the required evidence is submitted and the required contribution paid within 60 days of that notification, otherwise on the first annuity payment date following the System's receipt of the required evidence and contribution. The increase in an annuity recalculated under this provision shall be included in the calculation of automatic annual increases in the annuity accruing after the effective date of the recalculation.

Optional credit may be purchased under this subsection (b)(5) for periods during which a teacher has been granted a leave of absence pursuant to Section 24-13 of the School Code. A teacher whose service under this Article terminated prior to the

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effective date of P.A. 86-1488 shall be eligible to purchase such optional credit. If a teacher who purchases this optional credit is already receiving a retirement annuity under this Article, the annuity shall be recalculated as if the annuitant had applied for the leave of absence credit at the time of retirement. The difference between the entitled annuity and the actual annuity shall be credited to the purchase of the optional credit. The remainder of the purchase cost of the optional credit shall be paid on or before April 1, 1992.

The change in this paragraph made by Public Act 86-273 shall be applicable to teachers who retire after June 1, 1989, as well as to teachers who are in service on that date.

(6) Any days of unused and uncompensated accumulated sick leave earned by a teacher. The service credit granted under this paragraph shall be the ratio of the number of unused and uncompensated accumulated sick leave days to 170 days, subject to a maximum of one year of service credit. Prior to the member's retirement, each former employer shall certify to the System the number of unused and uncompensated accumulated sick leave days credited to the member at the time of termination of service. The period of unused sick leave shall not be considered in determining the effective date of retirement. A member is not required to make contributions in order to obtain service credit for unused sick leave.

Credit for sick leave shall, at retirement, be granted by the System for any retiring regional or assistant regional superintendent of schools at the rate of 6 days per year of creditable service or portion thereof established while serving as such superintendent or assistant superintendent.

(7) Periods prior to February 1, 1987 served as an employee of the Illinois Mathematics and Science Academy for which credit has not been terminated under Section 15-113.9 of this Code.

(8) Service as a substitute teacher for work performed prior to July 1, 1990.

(9) Service as a part-time teacher for work performed prior to July 1, 1990.

(10) Up to 2 years of employment with Southern Illinois University - Carbondale from September 1, 1959 to August 31, 1961, or with Governors State University from September 1, 1972 to August 31, 1974, for which the teacher has no credit under Article 15. To receive credit under this item (10), a teacher must apply in writing to the Board and pay the required contributions before May 1, 1993 and have at least 12 years of service credit under this Article.

(b-1) A member may establish optional credit for up to 2 years of service as a teacher or administrator employed by a private school recognized by the Illinois State Board of Education, provided that the teacher (i) was certified under the law governing the certification of teachers at the time the service was rendered, (ii) applies in writing on or after June 1, 2001 and on or before June 1, 2004, (iii) supplies satisfactory evidence of the employment, (iv) completes at least 10 years of contributing service as a teacher as defined in Section 16-106, and (v) pays the contribution required in subsection (d-5) of Section 16-128. The member may apply for credit under this subsection and pay the required contribution before completing the 10 years of contributing service required under item (iv), but the credit may not be used until the item (iv) contributing service requirement has been met.

(c) The service credits specified in this Section shall be granted only if: (1) such service credits are not used for credit in

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any other statutory tax-supported public employee retirement system other than the federal Social Security program; and (2) the member makes the required contributions as specified in Section 16-128. Except as provided in subsection (b-1) of this Section, the service credit shall be effective as of the date the required contributions are completed.

Any service credits granted under this Section shall terminate upon cessation of membership for any cause.

Credit may not be granted under this Section covering any period for which an age retirement or disability retirement allowance has been paid.

(Source: P.A. 89-430, eff. 12-15-95; 90-32, eff. 6-27-97.)

(40 ILCS 5/16-128) (from Ch. 108 1/2, par. 16-128)

Sec. 16-128. Creditable service - required contributions.

(a) In order to receive the creditable service specified under subsection (b) of Section 16-127, a member is required to make the following contributions: (i) an amount equal to the contributions which would have been required had such service been rendered as a member under this System; (ii) for military service not immediately following employment and for service established under subdivision (b)(10) of Section 16-127, an amount determined by the Board to be equal to the employer's normal cost of the benefits accrued for such service; and (iii) interest from the date the contributions would have been due (or, in the case of a person establishing credit for military service under subdivision (b)(3) of Section 16-127, the date of first membership in the System, if that date is later) to the date of payment, at the following rate of interest, compounded annually: for periods prior to July 1, 1965, regular interest; from July 1, 1965 to June 30, 1977, 4% per year; on and after July 1, 1977, regular interest.

(b) In order to receive creditable service under paragraph (2) of subsection (b) of Section 16-127 for those who were not members on June 30, 1963, the minimum required contribution shall be \$420 per year of service together with interest at 4% per year compounded annually from July 1, preceding the date of membership until June 30, 1977 and at regular interest compounded annually thereafter to the date of payment.

(c) In determining the contribution required in order to receive creditable service under paragraph (3) of subsection (b) of Section 16-127, the salary rate for the remainder of the school term in which a member enters military service shall be assumed to be equal to the member's salary rate at the time of entering military service. However, for military service not immediately following employment, the salary rate on the last date as a participating teacher prior to such military service, or on the first date as a participating teacher after such military service, whichever is greater, shall be assumed to be equal to the member's salary rate at the time of entering military service. For each school term thereafter, the member's salary rate shall be assumed to be 5% higher than the salary rate in the previous school term.

(d) In determining the contribution required in order to receive creditable service under paragraph (5) of subsection (b) of Section 16-127, a member's salary rate during the period for which credit is being established shall be assumed to be equal to the member's last salary rate immediately preceding that period.

(d-5) For each year of service credit to be established under subsection (b-1) of Section 16-127, a member is required to contribute to the System (i) 16.5% of the annual salary rate during the first year of full-time employment as a teacher under this Article following the private school service, plus (ii) interest

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thereon from the date of first full-time employment as a teacher under this Article following the private school service to the date of payment, compounded annually, at the rate of 8.5% per year for periods before the effective date of this amendatory Act of the 92nd General Assembly, and for subsequent periods at a rate equal to the System's actuarially assumed rate of return on investments.

(e) The contributions required under this Section may be made from the date the statement for such creditable service is issued until retirement date. All such required contributions must be made before any retirement annuity is granted.

(Source: P.A. 89-430, eff. 12-15-95.)

(40 ILCS 5/16-143) (from Ch. 108 1/2, par. 16-143)

Sec. 16-143. Survivors' benefits - other conditions and limitations. The benefits provided under Sections 16-141 and 16-142, shall be subject to the following further conditions and limitations:

(1) The period during which a member was in receipt of a disability or occupational disability benefit shall be considered as creditable service at the annual salary rate on which the member last made contributions.

(2) All service prior to July 24, 1959, for which creditable service is granted towards a retirement annuity shall be considered as creditable service.

(3) No benefits shall be payable unless a member, or a disabled member, returning to service, has made contributions to the system for at least one month after July 24, 1959, except that an annuitant must have contributed to the system for at least 1 year of creditable service after July 24, 1959.

(4) Creditable service under the State Employees' Retirement System of Illinois, the State Universities Retirement System and the Public School Teachers' Pension and Retirement Fund of Chicago shall be considered in determining whether the member has met the creditable service requirement.

(5) If an eligible beneficiary qualifies for a survivors' benefit because of pension credits established by the participant or annuitant in another system covered by Article 20, and the combined survivors' benefits exceed the highest survivors' benefit payable by either system based upon the combined pension credits, the survivors' benefit payable by this system shall be reduced to that amount which when added to the survivors' benefit payable by the other system would equal this highest survivors' benefit. If the other system has a similar provision for adjustment of the survivors' benefit, the respective proportional survivors' benefits shall be reduced proportionately according to the ratio which the amount of each proportional survivors' benefit bears to the aggregate of all proportional survivors' benefits. If a survivors' benefit is payable by another system covered by Article 20, and the survivor elects to waive the monthly survivors' benefit and accept a lump sum payment or death benefit in lieu of the monthly survivors' benefit, this system shall, for the purpose of adjusting the monthly survivors' benefit under this paragraph, assume that the survivor had been entitled to a monthly survivors' benefit which, in accordance with actuarial tables of this system, is the actuarial equivalent of the amount of the lump sum payment or death benefit.

(6) Remarriage of a surviving spouse prior to attainment of age 55 that occurs before the effective date of this amendatory Act of the 91st General Assembly shall terminate his or her survivors' benefits until July 6, 2000.

A surviving spouse whose survivors' benefit has been terminated due to remarriage may apply for reinstatement of that benefit. The reinstated benefit shall begin to accrue on July 6, 2000, except that

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if, on July 6, 2000, the benefit is payable to an eligible surviving child or parent, payment of the benefit to the surviving spouse shall not be reinstated until the benefit is no longer payable to any eligible surviving child or parent. The reinstated benefit shall include any one-time or annual increases received prior to the date of termination, as well as any increases that would otherwise have accrued from the date of termination to the date of reinstatement. An eligible surviving spouse whose expectation of receiving a survivors' benefit was lost due to remarriage before attainment of age 50 shall also be entitled to reinstatement under this subsection, but the resulting survivors' benefit shall not begin to accrue sooner than upon the surviving spouse's attainment of age 50.

The changes change made to this item (6) by Public Act 91-887 and this amendatory Act of the 92nd 91st General Assembly apply applies without regard to whether the deceased member or annuitant was in service on or after the effective date of either this amendatory Act of the 91st General Assembly.

(7) The benefits payable to an eligible child shall terminate when the eligible child marries, dies, or attains age 18 (age 22 if a full-time student); except that benefits payable to a dependent disabled eligible child shall terminate only when the eligible child dies or ceases to be disabled.

(Source: P.A. 90-448, eff. 8-16-97; 91-887, eff. 7-6-00.)

(40 ILCS 5/17-114.4 new)

Sec. 17-114.4. Transfer to Metropolitan Pier and Exposition Authority pension plan.

(a) Until July 1, 2002, any member of the management committee of the Metropolitan Pier and Exposition Authority, as designated by the chief executive officer of the Authority, regardless of whether the member is in service under this Article on or after the effective date of this Section and notwithstanding Section 17-157, may apply to the Board for transfer of all of his or her creditable service accumulated under this Fund to the pension plan established for employees and officers of the Metropolitan Pier and Exposition Authority. The creditable service shall be transferred in accordance with the terms of that plan and shall be accompanied by a payment from this Fund to that pension plan, consisting of:

(1) the amounts accumulated to the credit of the applicant for the service to be transferred, including interest, on the books of the Fund on the date of transfer, but excluding any additional or optional credits, which shall be refunded to the applicant; plus

(2) employer contribution credits computed and credited under this Article, including interest, on the books of the Fund on the date the applicant terminated service under the Fund.

Participation in this Fund as to the credits transferred under this Section terminates on the date of transfer.

(b) For the purpose of transferring credit under this Section, a person may reinstate credits and creditable service terminated upon receipt of a refund, by paying to the Fund, before July 1, 2002, the amount of the refund plus regular interest from the date of the refund to the date of repayment.

(40 ILCS 5/18-112) (from Ch. 108 1/2, par. 18-112)

Sec. 18-112. Service. "Service": The period beginning on the day a person first became a judge, whether prior or subsequent to the effective date, and ending on the date under consideration, excluding all intervening periods during which he or she was not a judge following resignation or expiration of any term of election or appointment.

Service also includes the following:

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(a) Any period prior to January 1, 1964 during which a judge served as a justice of the peace, police magistrate or master in chancery, or as a civil referee, commissioner or trial assistant to the chief judge in the Municipal Court of Chicago, or performed judicial duties as an assistant to the judge of the Probate Court of Cook County. A judge shall be entitled to credit for all or as much as the judge may desire of such service, not exceeding 8 years, upon payment of the participant's contribution covering such service at the contribution rates in effect on July 1, 1969, together with interest at 4% per annum compounded annually, from the dates the service was rendered to the date of payment, provided credit for such service had not been granted in any public pension fund or retirement system in the State. The required contributions shall be based upon the rate of salary in effect for the judge on the date he or she entered the system or on January 1, 1964, whichever is later.

(b) Service rendered after January 1, 1964, as a holdover magistrate or master in chancery of the Circuit Court. A judge shall be entitled to credit for any period of such service, not exceeding a total of 8 years, together with the period of service taken into account in paragraph (a). Service credit under this paragraph is subject to the same contribution requirements and other limitations that are prescribed for service credit under paragraph (a).

(c) Any period that a participant served as a member of the General Assembly, subject to the following conditions:

(1) He or she has been a participant in this system for at least 4 years and has contributed to the system for service rendered as a member of the General Assembly subsequent to November 1, 1941, at the contribution rates in effect for a judge on the date of becoming a participant, including interest at 3% per annum compounded annually from the date such service was rendered to the date of payment, based on the salary in effect during such period of service; and

(2) The participant is not entitled to credit for such service in any other public retirement system in the State.

(d) Any period a participant served as a judge or commissioner of the Court of Claims of this State after November 1, 1941, provided he or she contributes to the system at the contribution rates in effect on the date of becoming a participant, based on salary received during such service, including interest at 3% per annum compounded annually from the date such service was rendered to the date of payment.

(e) Any period that a participant served as State's Attorney or Public Defender of any county of this State, subject to the following conditions: (1) such service was not credited under any public pension fund or retirement system; (2) the maximum service to be credited in this system shall be 8 years; (3) the participant must have at least 6 years of service as a judge and as a participant of this system; and (4) the participant has made contributions to the system for such service at the contribution rates in effect on the date of becoming a participant in this system based upon the salary of the judge on such date, including interest at 4% per annum compounded annually from such date to the date of payment.

A judge who terminated service before January 26, 1988 and whose retirement annuity began after January 1, 1988 may establish credit for service as a Public Defender in accordance with the other provisions of this subsection by making

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application and paying the required contributions to the Board not later than 30 days after August 23, 1989. In such cases, the Board shall recalculate the retirement annuity, effective on the first day of the next calendar month beginning at least 30 days after the application is received.

(e-1) A period beginning on or after January 1, 1970 and ending on or before December 31, 1972 during which a participant served as Special Assistant State's Attorney of Cook County, subject to the following conditions: (1) such service was not credited under any public pension fund or retirement system; (2) the amount of service established under this subdivision (e-1) shall not exceed 3 years; (3) the participant must have at least 6 years of service as a judge and as a participant of this System; and (4) the participant must make contributions to the System for the service to be established, based upon the contribution rates in effect on the date of becoming a participant in this System and the salary of the judge on that date, including interest at 4% per annum, compounded annually, from that date to the date of payment.

(f) Any period as a participating policeman, employee or teacher under Article 5, 14 or 16 of this Code, subject to the following conditions: (1) the credits accrued under Article 5, 14 or 16 have been transferred to this system; and (2) the participant has contributed to the system an amount equal to (A) contributions at the rate in effect for participants at the date of membership in this system based upon the salary of the judge on such date, (B) the employer's share of the normal cost under this system for each year that credit is being established, based on the salary in effect at the date of membership in this system, and (C) interest at 6% per annum, compounded annually, from the date of membership to the date of payment; less (D) the amount transferred on behalf of the participant from Article 5, 14 or 16.

(g) Any period that a participant served as the Administrative Director of the Circuit Court of Cook County, as Executive Director of the Home Rule Commission, as assistant corporation counsel in the Chicago Law Department, or as an employee of the Cook County Treasurer, subject to the following conditions: (1) the maximum amount of such service which may be credited is 10 years; (2) in order to qualify for such credit in this system, a judge must have at least 6 years of service as a judge and participant of this system; (3) the last 6 years of service credited in this system shall be as a judge and a participant in this system; (4) credits accrued to the participant under any other public pension fund or public retirement system in the State, if any, by reason of the service to be established under this paragraph (g) has been transferred to this system; and (5) the participant has contributed to this system the amount, if any, by which the amount transferred pursuant to subdivision (4) of this paragraph, if any, is less than the amount which the participant would have contributed to the system during the period of time being counted as service under this paragraph had the participant been a judge participating in this system during that time, based on the rate of contribution in effect and the salary earned by the participant on the date he or she became a participant, with interest accruing on such deficiency at a rate of 5% per annum from the date he or she became a participant through the date on which such deficiency is paid.

(h) Any period that a participant served as a full-time

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attorney employed by the Chicago Transit Authority created by the Metropolitan Transit Authority Act, subject to the following conditions: (1) any credit received for such service in the pension fund established under Section 22-101 has been terminated; (2) the maximum amount of such service to be credited in this system shall be 10 years; (3) the participant must have at least 6 years of service as a judge and as a participant of this system; and (4) the participant has made contributions to the system for such service at the contribution rates in effect on the date of becoming a participant in this system based upon the salary of the judge on such date, including interest at 5% per annum compounded annually from such date to the date of payment.

(i) Any period during which a participant received temporary total disability benefit payments, as provided in Section 18-126.1.

Service during a fraction of a month shall be considered a month of service, but no more than one month of service shall be credited for all service during any calendar month.

(Source: P.A. 86-272; 86-273; 86-1028; 87-1265.)

(40 ILCS 5/18-128) (from Ch. 108 1/2, par. 18-128)

Sec. 18-128. Survivor's annuities; Conditions for payment.

(a) A survivor's annuity shall be payable upon the death of a participant while in service after June 30, 1967 if the participant had at least 1 1/2 years of service credit as a judge, or upon death of an inactive participant who had terminated service as a judge on or after June 30, 1967 with at least 10 years of service credit, or upon the death of an annuitant whose retirement becomes effective after June 30, 1967.

(b) The surviving spouse of a deceased participant or annuitant is entitled to a survivor's annuity beginning at the date of death if the surviving spouse (1) has been married to the participant or annuitant for a continuous period of at least one year immediately preceding the date of death, and (2) has attained age 50, or, regardless of age, has in his or her care an eligible child or children of the decedent as provided under subsections (c) and (d) of this Section. If the surviving spouse has no such child in his or her care and has not attained age 50, the survivor's annuity shall begin upon attainment of age 50. When all such children of the deceased who are in the care of the surviving spouse no longer qualify for benefits and the surviving spouse is under 50 years of age, the surviving spouse's annuity shall be suspended until he or she attains age 50.

(c) A child's annuity is payable for an unmarried child of an annuitant or participant so long as the child is (i) under age 18, (ii) under age 22 and a full time student, or (iii) age 18 or over if dependent by reason of physical or mental disability. Disability means inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

(d) Adopted children shall have the same status as natural children, but only if the proceedings for adoption were commenced at least 6 months prior to the death of the annuitant or participant.

(e) Remarriage prior to attainment of age 50 that occurs before the effective date of this amendatory Act of the 91st General Assembly shall disqualify a surviving spouse for the receipt of a survivor's annuity until July 6, 2000.

A surviving spouse whose survivor's annuity has been terminated due to remarriage may apply for reinstatement of that annuity. The

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reinstated annuity shall begin to accrue on July 6, 2000, except that if, on July 6, 2000, the annuity is payable to an eligible surviving child, payment of the annuity to the surviving spouse shall not be reinstated until the annuity is no longer payable to any eligible surviving child. The reinstated annuity shall include any one-time or annual increases received prior to the date of termination, as well as any increases that would otherwise have accrued from the date of termination to the date of reinstatement. An eligible surviving spouse whose expectation of receiving a survivor's annuity was lost due to remarriage before attainment of age 50 shall also be entitled to reinstatement under this subsection, but the resulting survivor's annuity shall not begin to accrue sooner than upon the surviving spouse's attainment of age 50.

The changes change made to this subsection by Public Act 91-887 and this amendatory Act of the 92nd 91st General Assembly apply applies without regard to whether the deceased judge was in service on or after the effective date of either this amendatory Act of--the 91st-General-Assembly.

(f) The changes made in survivor's annuity provisions by Public Act 82-306 shall apply to the survivors of a deceased participant or annuitant whose death occurs on or after August 21, 1981 and whose service as a judge terminates on or after July 1, 1967.

The provision of child's annuities for dependent students under age 22 by this amendatory Act of 1991 shall apply to all eligible students beginning January 1, 1992, without regard to whether the deceased judge was in service on or after the effective date of this amendatory Act.

(Source: P.A. 91-887, eff. 7-6-00.)

(40 ILCS 5/18-133) (from Ch. 108 1/2, par. 18-133)

Sec. 18-133. Financing; employee contributions.

(a) Effective July 1, 1967, each participant is required to contribute 7 1/2% of each payment of salary toward the retirement annuity. Such contributions shall continue during the entire time the participant is in service, with the following exceptions:

(1) Contributions for the retirement annuity are not required on salary received after 18 years of service by persons who were participants before January 2, 1954.

(2) A participant who continues to serve as a judge after becoming eligible to receive the maximum rate of annuity may elect, through a written direction filed with the Board, to discontinue contributing to the System. Any such option elected by a judge shall be irrevocable unless prior to January 1, 2003 2000, and while continuing to serve as judge, the judge (A) files with the Board a letter cancelling the direction to discontinue contributing to the System and requesting that such contributing resume, and (B) pays into the System an amount equal to the total of the discontinued contributions plus interest thereon at 5% per annum. Service credits earned in any other "participating system" as defined in Article 20 of this Code shall be considered for purposes of determining a judge's eligibility to discontinue contributions under this subdivision (a)(2).

(3) A participant who (i) ~~has--attained--age--60,--(ii)~~ continues to serve as a judge after becoming eligible to receive the maximum rate of annuity, and (ii) ~~{iii}~~ has not elected to discontinue contributing to the System under subdivision (a)(2) of this Section (or has revoked any such election) may elect, through a written direction filed with the Board, to make contributions to the System based only on the amount of the increases in salary received by the judge on or after the date of the election, rather than the total salary received. If a judge

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who is making contributions to the System on the effective date of this amendatory Act of the 91st General Assembly makes an election to limit contributions under this subdivision (a)(3) within 90 days after that effective date, the election shall be deemed to become effective on that effective date and the judge shall be entitled to receive a refund of any excess contributions paid to the System during that 90-day period; any other election under this subdivision (a)(3) becomes effective on the first of the month following the date of the election. An election to limit contributions under this subdivision (a)(3) is irrevocable. Service credits earned in any other participating system as defined in Article 20 of this Code shall be considered for purposes of determining a judge's eligibility to make an election under this subdivision (a)(3).

(b) Beginning July 1, 1969, each participant is required to contribute 1% of each payment of salary towards the automatic increase in annuity provided in Section 18-125.1. However, such contributions need not be made by any participant who has elected prior to September 15, 1969, not to be subject to the automatic increase in annuity provisions.

(c) Effective July 13, 1953, each married participant subject to the survivor's annuity provisions is required to contribute 2 1/2% of each payment of salary, whether or not he or she is required to make any other contributions under this Section. Such contributions shall be made concurrently with the contributions made for annuity purposes.

(Source: P.A. 91-653, eff. 12-10-99.)

(40 ILCS 5/3-110.5 rep.)

Section 10. The Illinois Pension Code is amended by repealing Section 3-110.5.

Section 90. The State Mandates Act is amended by adding Section 8.25 as follows:

(30 ILCS 805/8.25 new)

Sec. 8.25. Exempt mandate. Notwithstanding Sections 6 and 8 of this Act, no reimbursement by the State is required for the implementation of any mandate created by this amendatory Act of the 92nd General Assembly.

Section 99. Effective date. This Act takes effect upon becoming law."

Senator R. Madigan moved the adoption of the foregoing amendment.

The motion prevailed and the amendment was adopted and ordered printed.

And House Bill No. 2099, as amended, was returned to the order of third reading.

READING BILLS FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Molaro, House Bill No. 2099 having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 46; Nays 7; Present 3.

The following voted in the affirmative:

Bowles
Clayborne

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Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpiel
Klemm
Lightford
Link
Madigan, L.
Madigan, R.
Molaro
Munoz
Obama
O'Malley
Parker
Peterson
Petka
Radogno
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Sullivan
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Woolard
Mr. President

The following voted in the negative:

Burzynski
Donahue
Lauzen
Mahar
Noland
Rauschenberger
Syverson

The following voted present:

Bomke
Luechtefeld
Myers

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This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence in the Senate Amendments adopted thereto.

Senator Smith asked and obtained unanimous consent for the Journal to reflect her affirmative vote on House Bill No. 2099.

On motion of Senator O'Malley, House Bill No. 2157 having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 55; Nays 2.

The following voted in the affirmative:

Bomke
Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpel
Klemm
Lightford
Link
Luechtefeld
Madigan, L.
Madigan, R.
Mahar
Molaro
Munoz
Myers
Noland
Obama
O'Malley
Parker
Peterson
Petka
Radogno
Ronen
Roskam
Shadid
Shaw

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Sieben
 Silverstein
 Smith
 Sullivan
 Syverson
 Trotter
 Viverito
 Walsh, L.
 Walsh, T.
 Watson
 Weaver
 Welch
 Woolard
 Mr. President

The following voted in the negative:

Lauzen
 Rauschenberger

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence in the Senate Amendment adopted thereto.

On motion of Senator Luechtefeld, House Bill No. 2367 having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 51; Nays 5.

The following voted in the affirmative:

Bomke
 Bowles
 Clayborne
 Cronin
 Cullerton
 DeLeo
 del Valle
 Demuzio
 Dillard
 Donahue
 Dudycz
 Geo-Karis
 Halvorson
 Hawkinson
 Hendon
 Jacobs
 Jones, E.
 Jones, W.
 Karpel
 Klemm
 Lightford
 Link
 Luechtefeld
 Madigan, L.

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Madigan, R.
 Molaro
 Munoz
 Myers
 Noland
 Obama
 O'Malley
 Parker
 Peterson
 Radogno
 Ronen
 Roskam
 Shadid
 Shaw
 Sieben
 Silverstein
 Smith
 Sullivan
 Trotter
 Viverito
 Walsh, L.
 Walsh, T.
 Watson
 Weaver
 Welch
 Woolard
 Mr. President

The following voted in the negative:

Burzynski
 Lauzen
 Mahar
 Rauschenberger
 Syverson

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence in the Senate Amendment adopted thereto.

HOUSE BILL RECALLED

On motion of Senator Dillard, House Bill No. 263 was recalled from the order of third reading to the order of second reading.

Senator Dillard offered the following amendment and moved its adoption:

AMENDMENT NO. 2

AMENDMENT NO. 2. Amend House Bill 263, AS AMENDED, by replacing the title with the following:

"AN ACT in relation to the local governments."; and
 by replacing everything after the enacting clause with the following:
 "Section 5. The State Finance Act is amended by changing Section 8.25f and adding Sections 5.545 and 6z-51 as follows:

(30 ILCS 105/5.545 new)

Sec. 5.545. The Statewide Economic Development Fund.

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(30 ILCS 105/6z-51 new)

Sec. 6z-51. Statewide Economic Development Fund.

(a) The Statewide Economic Development Fund is created as a special fund in the State treasury. Moneys in the Fund shall be used, subject to appropriation, for the purpose of statewide economic development activities.

(30 ILCS 105/8.25f) (from Ch. 127, par. 144.25f)

Sec. 8.25f. McCormick Place Expansion Project Fund.

(a) Deposits. The following amounts shall be deposited into the McCormick Place Expansion Project Fund in the State Treasury: (i) the moneys required to be deposited into the Fund under Section 9 of the Use Tax Act, Section 9 of the Service Occupation Tax Act, Section 9 of the Service Use Tax Act, and Section 3 of the Retailers' Occupation Tax Act and (ii) the moneys required to be deposited into the Fund under Section 13 of the Metropolitan Pier and Exposition Authority Act. Notwithstanding the foregoing, the maximum amount that may be deposited into the McCormick Place Expansion Project Fund from item (i) shall not exceed the following amounts with respect to the following fiscal years:

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	<u>93,000,000</u> 84,000,000
2003	<u>99,000,000</u> 89,000,000
2004	<u>103,000,000</u> 93,000,000
2005	<u>108,000,000</u> 97,000,000
2006	<u>113,000,000</u> 102,000,000
2007	<u>119,000,000</u> 108,000,000
2008	<u>126,000,000</u> 115,000,000
2009	<u>132,000,000</u> 120,000,000
2010	<u>139,000,000</u> 126,000,000
2011	<u>146,000,000</u> 132,000,000
2012	<u>153,000,000</u> 138,000,000
2013	<u>161,000,000</u>
2014	<u>170,000,000</u>
2015	<u>179,000,000</u>
2016	<u>189,000,000</u>
2017	<u>199,000,000</u>
2018	<u>210,000,000</u>
2019	<u>221,000,000</u>
2020	<u>233,000,000</u>
2021	<u>246,000,000</u>
2022	<u>260,000,000</u>
2023 and	<u>275,000,000</u>
	145,000,000

each fiscal year thereafter
that bonds are outstanding
under Section 13.2 of the
Metropolitan Pier and Exposition
Authority Act, but not after
fiscal year 2042 2029.

Provided that all amounts deposited in the Fund and requested in the Authority's certificate have been paid to the Authority, all

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amounts remaining in the McCormick Place Expansion Project Fund on the last day of any month shall be transferred to the General Revenue Fund.

(b) Authority certificate. Beginning with fiscal year 1994 and continuing for each fiscal year thereafter, the Chairman of the Metropolitan Pier and Exposition Authority shall annually certify to the State Comptroller and the State Treasurer the amount necessary and required, during the fiscal year with respect to which the certification is made, to pay the debt service requirements (including amounts to be paid with respect to arrangements to provide additional security or liquidity) on all outstanding bonds and notes, including refunding bonds, (collectively referred to as "bonds") in an amount issued by the Authority pursuant to Section 13.2 of the Metropolitan Pier and Exposition Authority Act. The certificate may be amended from time to time as necessary.

(Source: P.A. 90-612, eff. 7-8-98; 91-101, eff. 7-12-99.)

Section 15. The Use Tax Act is amended by changing Section 9 as follows:

(35 ILCS 105/9) (from Ch. 120, par. 439.9)

Sec. 9. Except as to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, each retailer required or authorized to collect the tax imposed by this Act shall pay to the Department the amount of such tax (except as otherwise provided) at the time when he is required to file his return for the period during which such tax was collected, less a discount of 2.1% prior to January 1, 1990, and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the retailer for expenses incurred in collecting the tax, keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. In the case of retailers who report and pay the tax on a transaction by transaction basis, as provided in this Section, such discount shall be taken with each such tax remittance instead of when such retailer files his periodic return. A retailer need not remit that part of any tax collected by him to the extent that he is required to remit and does remit the tax imposed by the Retailers' Occupation Tax Act, with respect to the sale of the same property.

Where such tangible personal property is sold under a conditional sales contract, or under any other form of sale wherein the payment of the principal sum, or a part thereof, is extended beyond the close of the period for which the return is filed, the retailer, in collecting the tax (except as to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State), may collect for each tax return period, only the tax applicable to that part of the selling price actually received during such tax return period.

Except as provided in this Section, on or before the twentieth day of each calendar month, such retailer shall file a return for the preceding calendar month. Such return shall be filed on forms prescribed by the Department and shall furnish such information as the Department may reasonably require.

The Department may require returns to be filed on a quarterly basis. If so required, a return for each calendar quarter shall be filed on or before the twentieth day of the calendar month following the end of such calendar quarter. The taxpayer shall also file a return with the Department for each of the first two months of each calendar quarter, on or before the twentieth day of the following calendar month, stating:

1. The name of the seller;
2. The address of the principal place of business from

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which he engages in the business of selling tangible personal property at retail in this State;

3. The total amount of taxable receipts received by him during the preceding calendar month from sales of tangible personal property by him during such preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;

4. The amount of credit provided in Section 2d of this Act;

5. The amount of tax due;

5-5. The signature of the taxpayer; and

6. Such other reasonable information as the Department may require.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" means the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12.

Before August 1 of each year beginning in 1993, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1.

Any taxpayer not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department.

All taxpayers required to make payment by electronic funds transfer and any taxpayers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

The Department shall adopt such rules as are necessary to effectuate a program of electronic funds transfer and the requirements of this Section.

Before October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act, the Service Use Tax Act was \$10,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. On and after October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the

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Retailers' Occupation Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act was \$20,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payment to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to January 1, 1985, each payment shall be in an amount equal to 1/4 of the taxpayer's actual liability for the month or an amount set by the Department not to exceed 1/4 of the average monthly liability of the taxpayer to the Department for the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability in such 4 quarter period). If the month during which such tax liability is incurred begins on or after January 1, 1985, and prior to January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1987, and prior to January 1, 1988, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1988, and prior to January 1, 1989, or begins on or after January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1989, and prior to January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year or 100% of the taxpayer's actual liability for the quarter monthly reporting period. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month. Before October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$9,000, or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$10,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$10,000 threshold stated above, then such taxpayer may petition the Department for change in such taxpayer's reporting status. On and after October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$19,000 or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$20,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to

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anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$20,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status. The Department shall change such taxpayer's reporting status unless it finds that such change is seasonal in nature and not likely to be long term. If any such quarter monthly payment is not paid at the time or in the amount required by this Section, then the taxpayer shall be liable for penalties and interest on the difference between the minimum amount due and the amount of such quarter monthly payment actually and timely paid, except insofar as the taxpayer has previously made payments for that month to the Department in excess of the minimum payments previously due as provided in this Section. The Department shall make reasonable rules and regulations to govern the quarter monthly payment amount and quarter monthly payment dates for taxpayers who file on other than a calendar monthly basis.

If any such payment provided for in this Section exceeds the taxpayer's liabilities under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act and the Service Use Tax Act, as shown by an original monthly return, the Department shall issue to the taxpayer a credit memorandum no later than 30 days after the date of payment, which memorandum may be submitted by the taxpayer to the Department in payment of tax liability subsequently to be remitted by the taxpayer to the Department or be assigned by the taxpayer to a similar taxpayer under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations to be prescribed by the Department, except that if such excess payment is shown on an original monthly return and is made after December 31, 1986, no credit memorandum shall be issued, unless requested by the taxpayer. If no such request is made, the taxpayer may credit such excess payment against tax liability subsequently to be remitted by the taxpayer to the Department under this Act, the Retailers' Occupation Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations prescribed by the Department. If the Department subsequently determines that all or any part of the credit taken was not actually due to the taxpayer, the taxpayer's 2.1% or 1.75% vendor's discount shall be reduced by 2.1% or 1.75% of the difference between the credit taken and that actually due, and the taxpayer shall be liable for penalties and interest on such difference.

If the retailer is otherwise required to file a monthly return and if the retailer's average monthly tax liability to the Department does not exceed \$200, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February, and March of a given year being due by April 20 of such year; with the return for April, May and June of a given year being due by July 20 of such year; with the return for July, August and September of a given year being due by October 20 of such year, and with the return for October, November and December of a given year being due by January 20 of the following year.

If the retailer is otherwise required to file a monthly or quarterly return and if the retailer's average monthly tax liability to the Department does not exceed \$50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.

Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns.

Notwithstanding any other provision in this Act concerning the time within which a retailer may file his return, in the case of any

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retailer who ceases to engage in a kind of business which makes him responsible for filing returns under this Act, such retailer shall file a final return under this Act with the Department not more than one month after discontinuing such business.

In addition, with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, every retailer selling this kind of tangible personal property shall file, with the Department, upon a form to be prescribed and supplied by the Department, a separate return for each such item of tangible personal property which the retailer sells, except that if, in the same transaction, (i) a retailer of aircraft, watercraft, motor vehicles or trailers transfers more than one aircraft, watercraft, motor vehicle or trailer to another aircraft, watercraft, motor vehicle or trailer retailer for the purpose of resale or (ii) a retailer of aircraft, watercraft, motor vehicles, or trailers transfers more than one aircraft, watercraft, motor vehicle, or trailer to a purchaser for use as a qualifying rolling stock as provided in Section 3-55 of this Act, then that seller may report the transfer of all the aircraft, watercraft, motor vehicles or trailers involved in that transaction to the Department on the same uniform invoice-transaction reporting return form. For purposes of this Section, "watercraft" means a Class 2, Class 3, or Class 4 watercraft as defined in Section 3-2 of the Boat Registration and Safety Act, a personal watercraft, or any boat equipped with an inboard motor.

The transaction reporting return in the case of motor vehicles or trailers that are required to be registered with an agency of this State, shall be the same document as the Uniform Invoice referred to in Section 5-402 of the Illinois Vehicle Code and must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 2 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale; a sufficient identification of the property sold; such other information as is required in Section 5-402 of the Illinois Vehicle Code, and such other information as the Department may reasonably require.

The transaction reporting return in the case of watercraft and aircraft must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 2 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale, a sufficient identification of the property sold, and such other information as the Department may reasonably require.

Such transaction reporting return shall be filed not later than 20 days after the date of delivery of the item that is being sold,

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but may be filed by the retailer at any time sooner than that if he chooses to do so. The transaction reporting return and tax remittance or proof of exemption from the tax that is imposed by this Act may be transmitted to the Department by way of the State agency with which, or State officer with whom, the tangible personal property must be titled or registered (if titling or registration is required) if the Department and such agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

With each such transaction reporting return, the retailer shall remit the proper amount of tax due (or shall submit satisfactory evidence that the sale is not taxable if that is the case), to the Department or its agents, whereupon the Department shall issue, in the purchaser's name, a tax receipt (or a certificate of exemption if the Department is satisfied that the particular sale is tax exempt) which such purchaser may submit to the agency with which, or State officer with whom, he must title or register the tangible personal property that is involved (if titling or registration is required) in support of such purchaser's application for an Illinois certificate or other evidence of title or registration to such tangible personal property.

No retailer's failure or refusal to remit tax under this Act precludes a user, who has paid the proper tax to the retailer, from obtaining his certificate of title or other evidence of title or registration (if titling or registration is required) upon satisfying the Department that such user has paid the proper tax (if tax is due) to the retailer. The Department shall adopt appropriate rules to carry out the mandate of this paragraph.

If the user who would otherwise pay tax to the retailer wants the transaction reporting return filed and the payment of tax or proof of exemption made to the Department before the retailer is willing to take these actions and such user has not paid the tax to the retailer, such user may certify to the fact of such delay by the retailer, and may (upon the Department being satisfied of the truth of such certification) transmit the information required by the transaction reporting return and the remittance for tax or proof of exemption directly to the Department and obtain his tax receipt or exemption determination, in which event the transaction reporting return and tax remittance (if a tax payment was required) shall be credited by the Department to the proper retailer's account with the Department, but without the 2.1% or 1.75% discount provided for in this Section being allowed. When the user pays the tax directly to the Department, he shall pay the tax in the same amount and in the same form in which it would be remitted if the tax had been remitted to the Department by the retailer.

Where a retailer collects the tax with respect to the selling price of tangible personal property which he sells and the purchaser thereafter returns such tangible personal property and the retailer refunds the selling price thereof to the purchaser, such retailer shall also refund, to the purchaser, the tax so collected from the purchaser. When filing his return for the period in which he refunds such tax to the purchaser, the retailer may deduct the amount of the tax so refunded by him to the purchaser from any other use tax which such retailer may be required to pay or remit to the Department, as shown by such return, if the amount of the tax to be deducted was previously remitted to the Department by such retailer. If the retailer has not previously remitted the amount of such tax to the Department, he is entitled to no deduction under this Act upon refunding such tax to the purchaser.

Any retailer filing a return under this Section shall also

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include (for the purpose of paying tax thereon) the total tax covered by such return upon the selling price of tangible personal property purchased by him at retail from a retailer, but as to which the tax imposed by this Act was not collected from the retailer filing such return, and such retailer shall remit the amount of such tax to the Department when filing such return.

If experience indicates such action to be practicable, the Department may prescribe and furnish a combination or joint return which will enable retailers, who are required to file returns hereunder and also under the Retailers' Occupation Tax Act, to furnish all the return information required by both Acts on the one form.

Where the retailer has more than one business registered with the Department under separate registration under this Act, such retailer may not file each return that is due as a single return covering all such registered businesses, but shall file separate returns for each such registered business.

Beginning January 1, 1990, each month the Department shall pay into the State and Local Sales Tax Reform Fund, a special fund in the State Treasury which is hereby created, the net revenue realized for the preceding month from the 1% tax on sales of food for human consumption which is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food which has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes and needles used by diabetics.

Beginning January 1, 1990, each month the Department shall pay into the County and Mass Transit District Fund 4% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government.

Beginning January 1, 1990, each month the Department shall pay into the State and Local Sales Tax Reform Fund, a special fund in the State Treasury, 20% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property, other than tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government.

Beginning August 1, 2000, each month the Department shall pay into the State and Local Sales Tax Reform Fund 100% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund 16% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%,

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as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as defined in Section 3 of the Retailers' Occupation Tax Act), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred during such month to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year; and, further provided, that the amounts payable into the Build Illinois Fund under this clause (b) shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget. If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of the moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of the sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

Fiscal Year

Total Deposit

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1993		\$0
1994		53,000,000
1995		58,000,000
1996		61,000,000
1997		64,000,000
1998		68,000,000
1999		71,000,000
2000		75,000,000
2001		80,000,000
2002	<u>93,000,000</u>	<u>84,000,000</u>
2003	<u>99,000,000</u>	<u>89,000,000</u>
2004	<u>103,000,000</u>	<u>93,000,000</u>
2005	<u>108,000,000</u>	<u>97,000,000</u>
2006	<u>113,000,000</u>	<u>102,000,000</u>
2007	<u>119,000,000</u>	<u>108,000,000</u>
2008	<u>126,000,000</u>	<u>115,000,000</u>
2009	<u>132,000,000</u>	<u>120,000,000</u>
2010	<u>139,000,000</u>	<u>126,000,000</u>
2011	<u>146,000,000</u>	<u>132,000,000</u>
2012	<u>153,000,000</u>	<u>138,000,000</u>
2013		<u>161,000,000</u>
2014		<u>170,000,000</u>
2015		<u>179,000,000</u>
2016		<u>189,000,000</u>
2017		<u>199,000,000</u>
2018		<u>210,000,000</u>
2019		<u>221,000,000</u>
2020		<u>233,000,000</u>
2021		<u>246,000,000</u>
2022		<u>260,000,000</u>
2023 and		<u>275,000,000</u>
		<u>145,000,000</u>

each fiscal year
thereafter that bonds
are outstanding under
Section 13.2 of the
Metropolitan Pier and
Exposition Authority
Act, but not after fiscal year 2042 2029.

Beginning July 20, 1993 and in each month of each fiscal year thereafter, one-eighth of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority for that fiscal year, less the amount deposited into the McCormick Place Expansion Project Fund by the State Treasurer in the respective month under subsection (g) of Section 13 of the Metropolitan Pier and Exposition Authority Act, plus cumulative deficiencies in the deposits required under this Section for previous months and years, shall be deposited into the McCormick Place Expansion Project Fund, until the full amount requested for the fiscal year, but not in excess of the amount specified above as "Total Deposit", has been deposited.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendment thereto hereafter enacted, each month the Department shall pay into the Local Government Distributive Fund .4% of the net revenue realized for the preceding month from the 5% general rate, or .4% of 80% of the net revenue realized for the preceding month from the 6.25% general rate, as the case may be, on the selling price of tangible personal property which amount shall, subject to appropriation, be distributed as provided in Section 2 of

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the State Revenue Sharing Act. No payments or distributions pursuant to this paragraph shall be made if the tax imposed by this Act on photoprocessing products is declared unconstitutional, or if the proceeds from such tax are unavailable for distribution because of litigation.

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, and the Local Government Distributive Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Of the remainder of the moneys received by the Department pursuant to this Act, 75% thereof shall be paid into the State Treasury and 25% shall be reserved in a special account and used only for the transfer to the Common School Fund as part of the monthly transfer from the General Revenue Fund in accordance with Section 8a of the State Finance Act.

As soon as possible after the first day of each month, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Motor Fuel Tax Fund an amount equal to 1.7% of 80% of the net revenue realized under this Act for the second preceding month. Beginning April 1, 2000, this transfer is no longer required and shall not be made.

Net revenue realized for a month shall be the revenue collected by the State pursuant to this Act, less the amount paid out during that month as refunds to taxpayers for overpayment of liability.

For greater simplicity of administration, manufacturers, importers and wholesalers whose products are sold at retail in Illinois by numerous retailers, and who wish to do so, may assume the responsibility for accounting and paying to the Department all tax accruing under this Act with respect to such sales, if the retailers who are affected do not make written objection to the Department to this arrangement.

(Source: P.A. 90-491, eff. 1-1-99; 90-612, eff. 7-8-98; 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101, eff. 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00; 91-901, eff. 1-1-01; revised 8-30-00.)

Section 20. The Service Use Tax Act is amended by changing Section 9 as follows:

(35 ILCS 110/9) (from Ch. 120, par. 439.39)

Sec. 9. Each serviceman required or authorized to collect the tax herein imposed shall pay to the Department the amount of such tax (except as otherwise provided) at the time when he is required to file his return for the period during which such tax was collected, less a discount of 2.1% prior to January 1, 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the serviceman for expenses incurred in collecting the tax, keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. A serviceman need not remit that part of any tax collected by him to the extent that he is required to pay and does pay the tax imposed by the Service Occupation Tax Act with respect to his sale of service involving the incidental transfer by him of the same property.

Except as provided hereinafter in this Section, on or before the twentieth day of each calendar month, such serviceman shall file a return for the preceding calendar month in accordance with reasonable Rules and Regulations to be promulgated by the Department. Such return shall be filed on a form prescribed by the Department and

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shall contain such information as the Department may reasonably require.

The Department may require returns to be filed on a quarterly basis. If so required, a return for each calendar quarter shall be filed on or before the twentieth day of the calendar month following the end of such calendar quarter. The taxpayer shall also file a return with the Department for each of the first two months of each calendar quarter, on or before the twentieth day of the following calendar month, stating:

1. The name of the seller;
2. The address of the principal place of business from which he engages in business as a serviceman in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;
4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due;
- 5-5. The signature of the taxpayer; and
6. Such other reasonable information as the Department may require.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" means the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12.

Before August 1 of each year beginning in 1993, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1.

Any taxpayer not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department.

All taxpayers required to make payment by electronic funds transfer and any taxpayers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

The Department shall adopt such rules as are necessary to effectuate a program of electronic funds transfer and the requirements of this Section.

If the serviceman is otherwise required to file a monthly return and if the serviceman's average monthly tax liability to the

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Department does not exceed \$200, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February and March of a given year being due by April 20 of such year; with the return for April, May and June of a given year being due by July 20 of such year; with the return for July, August and September of a given year being due by October 20 of such year, and with the return for October, November and December of a given year being due by January 20 of the following year.

If the serviceman is otherwise required to file a monthly or quarterly return and if the serviceman's average monthly tax liability to the Department does not exceed \$50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.

Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns.

Notwithstanding any other provision in this Act concerning the time within which a serviceman may file his return, in the case of any serviceman who ceases to engage in a kind of business which makes him responsible for filing returns under this Act, such serviceman shall file a final return under this Act with the Department not more than 1 month after discontinuing such business.

Where a serviceman collects the tax with respect to the selling price of property which he sells and the purchaser thereafter returns such property and the serviceman refunds the selling price thereof to the purchaser, such serviceman shall also refund, to the purchaser, the tax so collected from the purchaser. When filing his return for the period in which he refunds such tax to the purchaser, the serviceman may deduct the amount of the tax so refunded by him to the purchaser from any other Service Use Tax, Service Occupation Tax, retailers' occupation tax or use tax which such serviceman may be required to pay or remit to the Department, as shown by such return, provided that the amount of the tax to be deducted shall previously have been remitted to the Department by such serviceman. If the serviceman shall not previously have remitted the amount of such tax to the Department, he shall be entitled to no deduction hereunder upon refunding such tax to the purchaser.

Any serviceman filing a return hereunder shall also include the total tax upon the selling price of tangible personal property purchased for use by him as an incident to a sale of service, and such serviceman shall remit the amount of such tax to the Department when filing such return.

If experience indicates such action to be practicable, the Department may prescribe and furnish a combination or joint return which will enable servicemen, who are required to file returns hereunder and also under the Service Occupation Tax Act, to furnish all the return information required by both Acts on the one form.

Where the serviceman has more than one business registered with the Department under separate registration hereunder, such serviceman shall not file each return that is due as a single return covering all such registered businesses, but shall file separate returns for each such registered business.

Beginning January 1, 1990, each month the Department shall pay into the State and Local Tax Reform Fund, a special fund in the State Treasury, the net revenue realized for the preceding month from the 1% tax on sales of food for human consumption which is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food which has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes and needles used by diabetics.

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Beginning January 1, 1990, each month the Department shall pay into the State and Local Sales Tax Reform Fund 20% of the net revenue realized for the preceding month from the 6.25% general rate on transfers of tangible personal property, other than tangible personal property which is purchased outside Illinois at retail from a retailer and which is titled or registered by an agency of this State's government.

Beginning August 1, 2000, each month the Department shall pay into the State and Local Sales Tax Reform Fund 100% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as defined in Section 3 of the Retailers' Occupation Tax Act), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred during such month to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year; and, further provided, that the amounts payable into the Build Illinois Fund under this clause (b) shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget. If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of the moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by

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the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of the sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	<u>93,000,000</u> 84,000,000
2003	<u>99,000,000</u> 89,000,000
2004	<u>103,000,000</u> 93,000,000
2005	<u>108,000,000</u> 97,000,000
2006	<u>113,000,000</u> 102,000,000
2007	<u>119,000,000</u> 108,000,000
2008	<u>126,000,000</u> 115,000,000
2009	<u>132,000,000</u> 120,000,000
2010	<u>139,000,000</u> 126,000,000
2011	<u>146,000,000</u> 132,000,000
2012	<u>153,000,000</u> 138,000,000
2013	<u>161,000,000</u>
2014	<u>170,000,000</u>
2015	<u>179,000,000</u>
2016	<u>189,000,000</u>
2017	<u>199,000,000</u>
2018	<u>210,000,000</u>
2019	<u>221,000,000</u>
2020	<u>233,000,000</u>
2021	<u>246,000,000</u>
2022	<u>260,000,000</u>
2023 and	<u>275,000,000</u>
	145,000,000

each fiscal year thereafter that bonds are outstanding under Section 13.2 of the Metropolitan Pier and Exposition Authority Act,

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but not after fiscal year 2042 2029.

Beginning July 20, 1993 and in each month of each fiscal year thereafter, one-eighth of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority for that fiscal year, less the amount deposited into the McCormick Place Expansion Project Fund by the State Treasurer in the respective month under subsection (g) of Section 13 of the Metropolitan Pier and Exposition Authority Act, plus cumulative deficiencies in the deposits required under this Section for previous months and years, shall be deposited into the McCormick Place Expansion Project Fund, until the full amount requested for the fiscal year, but not in excess of the amount specified above as "Total Deposit", has been deposited.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendment thereto hereafter enacted, each month the Department shall pay into the Local Government Distributive Fund 0.4% of the net revenue realized for the preceding month from the 5% general rate or 0.4% of 80% of the net revenue realized for the preceding month from the 6.25% general rate, as the case may be, on the selling price of tangible personal property which amount shall, subject to appropriation, be distributed as provided in Section 2 of the State Revenue Sharing Act. No payments or distributions pursuant to this paragraph shall be made if the tax imposed by this Act on photo processing products is declared unconstitutional, or if the proceeds from such tax are unavailable for distribution because of litigation.

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, and the Local Government Distributive Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

All remaining moneys received by the Department pursuant to this Act shall be paid into the General Revenue Fund of the State Treasury.

As soon as possible after the first day of each month, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Motor Fuel Tax Fund an amount equal to 1.7% of 80% of the net revenue realized under this Act for the second preceding month. Beginning April 1, 2000, this transfer is no longer required and shall not be made.

Net revenue realized for a month shall be the revenue collected by the State pursuant to this Act, less the amount paid out during that month as refunds to taxpayers for overpayment of liability.

(Source: P.A. 90-612, eff. 7-8-98; 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101, eff. 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00.)

Section 25. The Service Occupation Tax Act is amended by changing Section 9 as follows:

(35 ILCS 115/9) (from Ch. 120, par. 439.109)

Sec. 9. Each serviceman required or authorized to collect the tax herein imposed shall pay to the Department the amount of such tax at the time when he is required to file his return for the period during which such tax was collectible, less a discount of 2.1% prior to January 1, 1990, and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse

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the serviceman for expenses incurred in collecting the tax, keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request.

Where such tangible personal property is sold under a conditional sales contract, or under any other form of sale wherein the payment of the principal sum, or a part thereof, is extended beyond the close of the period for which the return is filed, the serviceman, in collecting the tax may collect, for each tax return period, only the tax applicable to the part of the selling price actually received during such tax return period.

Except as provided hereinafter in this Section, on or before the twentieth day of each calendar month, such serviceman shall file a return for the preceding calendar month in accordance with reasonable rules and regulations to be promulgated by the Department of Revenue. Such return shall be filed on a form prescribed by the Department and shall contain such information as the Department may reasonably require.

The Department may require returns to be filed on a quarterly basis. If so required, a return for each calendar quarter shall be filed on or before the twentieth day of the calendar month following the end of such calendar quarter. The taxpayer shall also file a return with the Department for each of the first two months of each calendar quarter, on or before the twentieth day of the following calendar month, stating:

1. The name of the seller;
2. The address of the principal place of business from which he engages in business as a serviceman in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month, including receipts from charge and time sales, but less all deductions allowed by law;
4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due;
- 5-5. The signature of the taxpayer; and
6. Such other reasonable information as the Department may require.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

A serviceman may accept a Manufacturer's Purchase Credit certification from a purchaser in satisfaction of Service Use Tax as provided in Section 3-70 of the Service Use Tax Act if the purchaser provides the appropriate documentation as required by Section 3-70 of the Service Use Tax Act. A Manufacturer's Purchase Credit certification, accepted by a serviceman as provided in Section 3-70 of the Service Use Tax Act, may be used by that serviceman to satisfy Service Occupation Tax liability in the amount claimed in the certification, not to exceed 6.25% of the receipts subject to tax from a qualifying purchase.

If the serviceman's average monthly tax liability to the Department does not exceed \$200, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February and March of a given year being due by April 20 of such year; with the return for April, May and June of a given year being due by July 20 of such year; with the return for July, August and September of a given year being due by October 20 of such year, and with the return for October, November and December of a given year being due by January 20 of the following year.

If the serviceman's average monthly tax liability to the Department does not exceed \$50, the Department may authorize his

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returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.

Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns.

Notwithstanding any other provision in this Act concerning the time within which a serviceman may file his return, in the case of any serviceman who ceases to engage in a kind of business which makes him responsible for filing returns under this Act, such serviceman shall file a final return under this Act with the Department not more than 1 month after discontinuing such business.

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" means the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12.

Before August 1 of each year beginning in 1993, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1.

Any taxpayer not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department.

All taxpayers required to make payment by electronic funds transfer and any taxpayers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

The Department shall adopt such rules as are necessary to effectuate a program of electronic funds transfer and the requirements of this Section.

Where a serviceman collects the tax with respect to the selling price of tangible personal property which he sells and the purchaser thereafter returns such tangible personal property and the serviceman refunds the selling price thereof to the purchaser, such serviceman shall also refund, to the purchaser, the tax so collected from the purchaser. When filing his return for the period in which he refunds such tax to the purchaser, the serviceman may deduct the amount of the tax so refunded by him to the purchaser from any other Service Occupation Tax, Service Use Tax, Retailers' Occupation Tax or Use Tax which such serviceman may be required to pay or remit to the Department, as shown by such return, provided that the amount of the tax to be deducted shall previously have been remitted to the Department by such serviceman. If the serviceman shall not previously have remitted the amount of such tax to the Department, he shall be entitled to no deduction hereunder upon refunding such tax to the purchaser.

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If experience indicates such action to be practicable, the Department may prescribe and furnish a combination or joint return which will enable servicemen, who are required to file returns hereunder and also under the Retailers' Occupation Tax Act, the Use Tax Act or the Service Use Tax Act, to furnish all the return information required by all said Acts on the one form.

Where the serviceman has more than one business registered with the Department under separate registrations hereunder, such serviceman shall file separate returns for each registered business.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund the revenue realized for the preceding month from the 1% tax on sales of food for human consumption which is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food which has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes and needles used by diabetics.

Beginning January 1, 1990, each month the Department shall pay into the County and Mass Transit District Fund 4% of the revenue realized for the preceding month from the 6.25% general rate.

Beginning August 1, 2000, each month the Department shall pay into the County and Mass Transit District Fund 20% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund 16% of the revenue realized for the preceding month from the 6.25% general rate on transfers of tangible personal property.

Beginning August 1, 2000, each month the Department shall pay into the Local Government Tax Fund 80% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as defined in Section 3 of the Retailers' Occupation Tax Act), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Account in the Build Illinois Fund during such month and (2) the amount transferred during such month to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments

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into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year; and, further provided, that the amounts payable into the Build Illinois Fund under this clause (b) shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget. If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of the moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the preceding sentence and shall reduce the amount otherwise payable for such fiscal year pursuant to clause (b) of the preceding sentence. The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of the sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000
2000	75,000,000
2001	80,000,000
2002	<u>93,000,000</u> 84,000,000
2003	<u>99,000,000</u> 89,000,000
2004	<u>103,000,000</u> 93,000,000
2005	<u>108,000,000</u> 97,000,000
2006	<u>113,000,000</u> 102,000,000
2007	<u>119,000,000</u> 108,000,000
2008	<u>126,000,000</u> 115,000,000
2009	<u>132,000,000</u> 120,000,000

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2010	<u>139,000,000</u>	<u>126,000,000</u>
2011	<u>146,000,000</u>	<u>132,000,000</u>
2012	<u>153,000,000</u>	<u>138,000,000</u>
2013		<u>161,000,000</u>
<u>2014</u>		<u>170,000,000</u>
<u>2015</u>		<u>179,000,000</u>
<u>2016</u>		<u>189,000,000</u>
<u>2017</u>		<u>199,000,000</u>
<u>2018</u>		<u>210,000,000</u>
<u>2019</u>		<u>221,000,000</u>
<u>2020</u>		<u>233,000,000</u>
<u>2021</u>		<u>246,000,000</u>
<u>2022</u>		<u>260,000,000</u>
<u>2023 and</u>		<u>275,000,000</u>
		<u>145,000,000</u>

each fiscal year
thereafter that bonds
are outstanding under
Section 13.2 of the
Metropolitan Pier and
Exposition Authority

Act, but not after fiscal year ~~2042~~ 2029.

Beginning July 20, 1993 and in each month of each fiscal year thereafter, one-eighth of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority for that fiscal year, less the amount deposited into the McCormick Place Expansion Project Fund by the State Treasurer in the respective month under subsection (g) of Section 13 of the Metropolitan Pier and Exposition Authority Act, plus cumulative deficiencies in the deposits required under this Section for previous months and years, shall be deposited into the McCormick Place Expansion Project Fund, until the full amount requested for the fiscal year, but not in excess of the amount specified above as "Total Deposit", has been deposited.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendment thereto hereafter enacted, each month the Department shall pay into the Local Government Distributive Fund 0.4% of the net revenue realized for the preceding month from the 5% general rate or 0.4% of 80% of the net revenue realized for the preceding month from the 6.25% general rate, as the case may be, on the selling price of tangible personal property which amount shall, subject to appropriation, be distributed as provided in Section 2 of the State Revenue Sharing Act. No payments or distributions pursuant to this paragraph shall be made if the tax imposed by this Act on photoprocessing products is declared unconstitutional, or if the proceeds from such tax are unavailable for distribution because of litigation.

Subject to payment of amounts into the Build Illinois Fund, the McCormick Place Expansion Project Fund, and the Local Government Distributive Fund pursuant to the preceding paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Remaining moneys received by the Department pursuant to this Act shall be paid into the General Revenue Fund of the State Treasury.

The Department may, upon separate written notice to a taxpayer, require the taxpayer to prepare and file with the Department on a

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form prescribed by the Department within not less than 60 days after receipt of the notice an annual information return for the tax year specified in the notice. Such annual return to the Department shall include a statement of gross receipts as shown by the taxpayer's last Federal income tax return. If the total receipts of the business as reported in the Federal income tax return do not agree with the gross receipts reported to the Department of Revenue for the same period, the taxpayer shall attach to his annual return a schedule showing a reconciliation of the 2 amounts and the reasons for the difference. The taxpayer's annual return to the Department shall also disclose the cost of goods sold by the taxpayer during the year covered by such return, opening and closing inventories of such goods for such year, cost of goods used from stock or taken from stock and given away by the taxpayer during such year, pay roll information of the taxpayer's business during such year and any additional reasonable information which the Department deems would be helpful in determining the accuracy of the monthly, quarterly or annual returns filed by such taxpayer as hereinbefore provided for in this Section.

If the annual information return required by this Section is not filed when and as required, the taxpayer shall be liable as follows:

(i) Until January 1, 1994, the taxpayer shall be liable for a penalty equal to 1/6 of 1% of the tax due from such taxpayer under this Act during the period to be covered by the annual return for each month or fraction of a month until such return is filed as required, the penalty to be assessed and collected in the same manner as any other penalty provided for in this Act.

(ii) On and after January 1, 1994, the taxpayer shall be liable for a penalty as described in Section 3-4 of the Uniform Penalty and Interest Act.

The chief executive officer, proprietor, owner or highest ranking manager shall sign the annual return to certify the accuracy of the information contained therein. Any person who willfully signs the annual return containing false or inaccurate information shall be guilty of perjury and punished accordingly. The annual return form prescribed by the Department shall include a warning that the person signing the return may be liable for perjury.

The foregoing portion of this Section concerning the filing of an annual information return shall not apply to a serviceman who is not required to file an income tax return with the United States Government.

As soon as possible after the first day of each month, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Motor Fuel Tax Fund an amount equal to 1.7% of 80% of the net revenue realized under this Act for the second preceding month. Beginning April 1, 2000, this transfer is no longer required and shall not be made.

Net revenue realized for a month shall be the revenue collected by the State pursuant to this Act, less the amount paid out during that month as refunds to taxpayers for overpayment of liability.

For greater simplicity of administration, it shall be permissible for manufacturers, importers and wholesalers whose products are sold by numerous servicemen in Illinois, and who wish to do so, to assume the responsibility for accounting and paying to the Department all tax accruing under this Act with respect to such sales, if the servicemen who are affected do not make written objection to the Department to this arrangement.

(Source: P.A. 90-612, eff. 7-8-98; 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101, eff. 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00.)

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Section 30. The Retailers' Occupation Tax Act is amended by changing Section 3 as follows:

(35 ILCS 120/3) (from Ch. 120, par. 442)

Sec. 3. Except as provided in this Section, on or before the twentieth day of each calendar month, every person engaged in the business of selling tangible personal property at retail in this State during the preceding calendar month shall file a return with the Department, stating:

1. The name of the seller;
2. His residence address and the address of his principal place of business and the address of the principal place of business (if that is a different address) from which he engages in the business of selling tangible personal property at retail in this State;
3. Total amount of receipts received by him during the preceding calendar month or quarter, as the case may be, from sales of tangible personal property, and from services furnished, by him during such preceding calendar month or quarter;
4. Total amount received by him during the preceding calendar month or quarter on charge and time sales of tangible personal property, and from services furnished, by him prior to the month or quarter for which the return is filed;
5. Deductions allowed by law;
6. Gross receipts which were received by him during the preceding calendar month or quarter and upon the basis of which the tax is imposed;
7. The amount of credit provided in Section 2d of this Act;
8. The amount of tax due;
9. The signature of the taxpayer; and
10. Such other reasonable information as the Department may require.

If a taxpayer fails to sign a return within 30 days after the proper notice and demand for signature by the Department, the return shall be considered valid and any amount shown to be due on the return shall be deemed assessed.

Each return shall be accompanied by the statement of prepaid tax issued pursuant to Section 2e for which credit is claimed.

A retailer may accept a Manufacturer's Purchase Credit certification from a purchaser in satisfaction of Use Tax as provided in Section 3-85 of the Use Tax Act if the purchaser provides the appropriate documentation as required by Section 3-85 of the Use Tax Act. A Manufacturer's Purchase Credit certification, accepted by a retailer as provided in Section 3-85 of the Use Tax Act, may be used by that retailer to satisfy Retailers' Occupation Tax liability in the amount claimed in the certification, not to exceed 6.25% of the receipts subject to tax from a qualifying purchase.

The Department may require returns to be filed on a quarterly basis. If so required, a return for each calendar quarter shall be filed on or before the twentieth day of the calendar month following the end of such calendar quarter. The taxpayer shall also file a return with the Department for each of the first two months of each calendar quarter, on or before the twentieth day of the following calendar month, stating:

1. The name of the seller;
2. The address of the principal place of business from which he engages in the business of selling tangible personal property at retail in this State;
3. The total amount of taxable receipts received by him during the preceding calendar month from sales of tangible personal property by him during such preceding calendar month,

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including receipts from charge and time sales, but less all deductions allowed by law;

4. The amount of credit provided in Section 2d of this Act;
5. The amount of tax due; and
6. Such other reasonable information as the Department may require.

If a total amount of less than \$1 is payable, refundable or creditable, such amount shall be disregarded if it is less than 50 cents and shall be increased to \$1 if it is 50 cents or more.

Beginning October 1, 1993, a taxpayer who has an average monthly tax liability of \$150,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1994, a taxpayer who has an average monthly tax liability of \$100,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 1995, a taxpayer who has an average monthly tax liability of \$50,000 or more shall make all payments required by rules of the Department by electronic funds transfer. Beginning October 1, 2000, a taxpayer who has an annual tax liability of \$200,000 or more shall make all payments required by rules of the Department by electronic funds transfer. The term "annual tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year. The term "average monthly tax liability" shall be the sum of the taxpayer's liabilities under this Act, and under all other State and local occupation and use tax laws administered by the Department, for the immediately preceding calendar year divided by 12.

Before August 1 of each year beginning in 1993, the Department shall notify all taxpayers required to make payments by electronic funds transfer. All taxpayers required to make payments by electronic funds transfer shall make those payments for a minimum of one year beginning on October 1.

Any taxpayer not required to make payments by electronic funds transfer may make payments by electronic funds transfer with the permission of the Department.

All taxpayers required to make payment by electronic funds transfer and any taxpayers authorized to voluntarily make payments by electronic funds transfer shall make those payments in the manner authorized by the Department.

The Department shall adopt such rules as are necessary to effectuate a program of electronic funds transfer and the requirements of this Section.

Any amount which is required to be shown or reported on any return or other document under this Act shall, if such amount is not a whole-dollar amount, be increased to the nearest whole-dollar amount in any case where the fractional part of a dollar is 50 cents or more, and decreased to the nearest whole-dollar amount where the fractional part of a dollar is less than 50 cents.

If the retailer is otherwise required to file a monthly return and if the retailer's average monthly tax liability to the Department does not exceed \$200, the Department may authorize his returns to be filed on a quarter annual basis, with the return for January, February and March of a given year being due by April 20 of such year; with the return for April, May and June of a given year being due by July 20 of such year; with the return for July, August and September of a given year being due by October 20 of such year, and with the return for October, November and December of a given year being due by January 20 of the following year.

If the retailer is otherwise required to file a monthly or

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quarterly return and if the retailer's average monthly tax liability with the Department does not exceed \$50, the Department may authorize his returns to be filed on an annual basis, with the return for a given year being due by January 20 of the following year.

Such quarter annual and annual returns, as to form and substance, shall be subject to the same requirements as monthly returns.

Notwithstanding any other provision in this Act concerning the time within which a retailer may file his return, in the case of any retailer who ceases to engage in a kind of business which makes him responsible for filing returns under this Act, such retailer shall file a final return under this Act with the Department not more than one month after discontinuing such business.

Where the same person has more than one business registered with the Department under separate registrations under this Act, such person may not file each return that is due as a single return covering all such registered businesses, but shall file separate returns for each such registered business.

In addition, with respect to motor vehicles, watercraft, aircraft, and trailers that are required to be registered with an agency of this State, every retailer selling this kind of tangible personal property shall file, with the Department, upon a form to be prescribed and supplied by the Department, a separate return for each such item of tangible personal property which the retailer sells, except that if, in the same transaction, (i) a retailer of aircraft, watercraft, motor vehicles or trailers transfers more than one aircraft, watercraft, motor vehicle or trailer to another aircraft, watercraft, motor vehicle retailer or trailer retailer for the purpose of resale or (ii) a retailer of aircraft, watercraft, motor vehicles, or trailers transfers more than one aircraft, watercraft, motor vehicle, or trailer to a purchaser for use as a qualifying rolling stock as provided in Section 2-5 of this Act, then that seller may report the transfer of all aircraft, watercraft, motor vehicles or trailers involved in that transaction to the Department on the same uniform invoice-transaction reporting return form. For purposes of this Section, "watercraft" means a Class 2, Class 3, or Class 4 watercraft as defined in Section 3-2 of the Boat Registration and Safety Act, a personal watercraft, or any boat equipped with an inboard motor.

Any retailer who sells only motor vehicles, watercraft, aircraft, or trailers that are required to be registered with an agency of this State, so that all retailers' occupation tax liability is required to be reported, and is reported, on such transaction reporting returns and who is not otherwise required to file monthly or quarterly returns, need not file monthly or quarterly returns. However, those retailers shall be required to file returns on an annual basis.

The transaction reporting return, in the case of motor vehicles or trailers that are required to be registered with an agency of this State, shall be the same document as the Uniform Invoice referred to in Section 5-402 of The Illinois Vehicle Code and must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 1 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of

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the sale; a sufficient identification of the property sold; such other information as is required in Section 5-402 of The Illinois Vehicle Code, and such other information as the Department may reasonably require.

The transaction reporting return in the case of watercraft or aircraft must show the name and address of the seller; the name and address of the purchaser; the amount of the selling price including the amount allowed by the retailer for traded-in property, if any; the amount allowed by the retailer for the traded-in tangible personal property, if any, to the extent to which Section 1 of this Act allows an exemption for the value of traded-in property; the balance payable after deducting such trade-in allowance from the total selling price; the amount of tax due from the retailer with respect to such transaction; the amount of tax collected from the purchaser by the retailer on such transaction (or satisfactory evidence that such tax is not due in that particular instance, if that is claimed to be the fact); the place and date of the sale, a sufficient identification of the property sold, and such other information as the Department may reasonably require.

Such transaction reporting return shall be filed not later than 20 days after the day of delivery of the item that is being sold, but may be filed by the retailer at any time sooner than that if he chooses to do so. The transaction reporting return and tax remittance or proof of exemption from the Illinois use tax may be transmitted to the Department by way of the State agency with which, or State officer with whom the tangible personal property must be titled or registered (if titling or registration is required) if the Department and such agency or State officer determine that this procedure will expedite the processing of applications for title or registration.

With each such transaction reporting return, the retailer shall remit the proper amount of tax due (or shall submit satisfactory evidence that the sale is not taxable if that is the case), to the Department or its agents, whereupon the Department shall issue, in the purchaser's name, a use tax receipt (or a certificate of exemption if the Department is satisfied that the particular sale is tax exempt) which such purchaser may submit to the agency with which, or State officer with whom, he must title or register the tangible personal property that is involved (if titling or registration is required) in support of such purchaser's application for an Illinois certificate or other evidence of title or registration to such tangible personal property.

No retailer's failure or refusal to remit tax under this Act precludes a user, who has paid the proper tax to the retailer, from obtaining his certificate of title or other evidence of title or registration (if titling or registration is required) upon satisfying the Department that such user has paid the proper tax (if tax is due) to the retailer. The Department shall adopt appropriate rules to carry out the mandate of this paragraph.

If the user who would otherwise pay tax to the retailer wants the transaction reporting return filed and the payment of the tax or proof of exemption made to the Department before the retailer is willing to take these actions and such user has not paid the tax to the retailer, such user may certify to the fact of such delay by the retailer and may (upon the Department being satisfied of the truth of such certification) transmit the information required by the transaction reporting return and the remittance for tax or proof of exemption directly to the Department and obtain his tax receipt or exemption determination, in which event the transaction reporting return and tax remittance (if a tax payment was required) shall be

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credited by the Department to the proper retailer's account with the Department, but without the 2.1% or 1.75% discount provided for in this Section being allowed. When the user pays the tax directly to the Department, he shall pay the tax in the same amount and in the same form in which it would be remitted if the tax had been remitted to the Department by the retailer.

Refunds made by the seller during the preceding return period to purchasers, on account of tangible personal property returned to the seller, shall be allowed as a deduction under subdivision 5 of his monthly or quarterly return, as the case may be, in case the seller had theretofore included the receipts from the sale of such tangible personal property in a return filed by him and had paid the tax imposed by this Act with respect to such receipts.

Where the seller is a corporation, the return filed on behalf of such corporation shall be signed by the president, vice-president, secretary or treasurer or by the properly accredited agent of such corporation.

Where the seller is a limited liability company, the return filed on behalf of the limited liability company shall be signed by a manager, member, or properly accredited agent of the limited liability company.

Except as provided in this Section, the retailer filing the return under this Section shall, at the time of filing such return, pay to the Department the amount of tax imposed by this Act less a discount of 2.1% prior to January 1, 1990 and 1.75% on and after January 1, 1990, or \$5 per calendar year, whichever is greater, which is allowed to reimburse the retailer for the expenses incurred in keeping records, preparing and filing returns, remitting the tax and supplying data to the Department on request. Any prepayment made pursuant to Section 2d of this Act shall be included in the amount on which such 2.1% or 1.75% discount is computed. In the case of retailers who report and pay the tax on a transaction by transaction basis, as provided in this Section, such discount shall be taken with each such tax remittance instead of when such retailer files his periodic return.

Before October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act, excluding any liability for prepaid sales tax to be remitted in accordance with Section 2d of this Act, was \$10,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. On and after October 1, 2000, if the taxpayer's average monthly tax liability to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act, and the Service Use Tax Act, excluding any liability for prepaid sales tax to be remitted in accordance with Section 2d of this Act, was \$20,000 or more during the preceding 4 complete calendar quarters, he shall file a return with the Department each month by the 20th day of the month next following the month during which such tax liability is incurred and shall make payment to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to January 1, 1985, each payment shall be in an amount equal to 1/4 of the taxpayer's actual liability for the month or an amount set by the Department not to exceed 1/4 of the average monthly liability of the taxpayer to the Department for the preceding 4 complete calendar

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quarters (excluding the month of highest liability and the month of lowest liability in such 4 quarter period). If the month during which such tax liability is incurred begins on or after January 1, 1985 and prior to January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1987 and prior to January 1, 1988, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1988, and prior to January 1, 1989, or begins on or after January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year. If the month during which such tax liability is incurred begins on or after January 1, 1989, and prior to January 1, 1996, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 25% of the taxpayer's liability for the same calendar month of the preceding year or 100% of the taxpayer's actual liability for the quarter monthly reporting period. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month. Before October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department by taxpayers having an average monthly tax liability of \$10,000 or more as determined in the manner provided above shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$9,000, or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$10,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$10,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status. On and after October 1, 2000, once applicable, the requirement of the making of quarter monthly payments to the Department by taxpayers having an average monthly tax liability of \$20,000 or more as determined in the manner provided above shall continue until such taxpayer's average monthly liability to the Department during the preceding 4 complete calendar quarters (excluding the month of highest liability and the month of lowest liability) is less than \$19,000 or until such taxpayer's average monthly liability to the Department as computed for each calendar quarter of the 4 preceding complete calendar quarter period is less than \$20,000. However, if a taxpayer can show the Department that a substantial change in the taxpayer's business has occurred which causes the taxpayer to anticipate that his average monthly tax liability for the reasonably foreseeable future will fall below the \$20,000 threshold stated above, then such taxpayer may petition the Department for a change in such taxpayer's reporting status. The Department shall change such taxpayer's reporting status unless it finds that such change is seasonal in nature and not likely to be long term. If any such quarter monthly payment is not paid at the time or in the amount required by this Section, then the taxpayer shall be liable for penalties and interest on the difference between

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the minimum amount due as a payment and the amount of such quarter monthly payment actually and timely paid, except insofar as the taxpayer has previously made payments for that month to the Department in excess of the minimum payments previously due as provided in this Section. The Department shall make reasonable rules and regulations to govern the quarter monthly payment amount and quarter monthly payment dates for taxpayers who file on other than a calendar monthly basis.

Without regard to whether a taxpayer is required to make quarter monthly payments as specified above, any taxpayer who is required by Section 2d of this Act to collect and remit prepaid taxes and has collected prepaid taxes which average in excess of \$25,000 per month during the preceding 2 complete calendar quarters, shall file a return with the Department as required by Section 2f and shall make payments to the Department on or before the 7th, 15th, 22nd and last day of the month during which such liability is incurred. If the month during which such tax liability is incurred began prior to the effective date of this amendatory Act of 1985, each payment shall be in an amount not less than 22.5% of the taxpayer's actual liability under Section 2d. If the month during which such tax liability is incurred begins on or after January 1, 1986, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 27.5% of the taxpayer's liability for the same calendar month of the preceding calendar year. If the month during which such tax liability is incurred begins on or after January 1, 1987, each payment shall be in an amount equal to 22.5% of the taxpayer's actual liability for the month or 26.25% of the taxpayer's liability for the same calendar month of the preceding year. The amount of such quarter monthly payments shall be credited against the final tax liability of the taxpayer's return for that month filed under this Section or Section 2f, as the case may be. Once applicable, the requirement of the making of quarter monthly payments to the Department pursuant to this paragraph shall continue until such taxpayer's average monthly prepaid tax collections during the preceding 2 complete calendar quarters is \$25,000 or less. If any such quarter monthly payment is not paid at the time or in the amount required, the taxpayer shall be liable for penalties and interest on such difference, except insofar as the taxpayer has previously made payments for that month in excess of the minimum payments previously due.

If any payment provided for in this Section exceeds the taxpayer's liabilities under this Act, the Use Tax Act, the Service Occupation Tax Act and the Service Use Tax Act, as shown on an original monthly return, the Department shall, if requested by the taxpayer, issue to the taxpayer a credit memorandum no later than 30 days after the date of payment. The credit evidenced by such credit memorandum may be assigned by the taxpayer to a similar taxpayer under this Act, the Use Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations to be prescribed by the Department. If no such request is made, the taxpayer may credit such excess payment against tax liability subsequently to be remitted to the Department under this Act, the Use Tax Act, the Service Occupation Tax Act or the Service Use Tax Act, in accordance with reasonable rules and regulations prescribed by the Department. If the Department subsequently determined that all or any part of the credit taken was not actually due to the taxpayer, the taxpayer's 2.1% and 1.75% vendor's discount shall be reduced by 2.1% or 1.75% of the difference between the credit taken and that actually due, and that taxpayer shall be liable for penalties and interest on such difference.

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If a retailer of motor fuel is entitled to a credit under Section 2d of this Act which exceeds the taxpayer's liability to the Department under this Act for the month which the taxpayer is filing a return, the Department shall issue the taxpayer a credit memorandum for the excess.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund, a special fund in the State treasury which is hereby created, the net revenue realized for the preceding month from the 1% tax on sales of food for human consumption which is to be consumed off the premises where it is sold (other than alcoholic beverages, soft drinks and food which has been prepared for immediate consumption) and prescription and nonprescription medicines, drugs, medical appliances and insulin, urine testing materials, syringes and needles used by diabetics.

Beginning January 1, 1990, each month the Department shall pay into the County and Mass Transit District Fund, a special fund in the State treasury which is hereby created, 4% of the net revenue realized for the preceding month from the 6.25% general rate.

Beginning August 1, 2000, each month the Department shall pay into the County and Mass Transit District Fund 20% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol.

Beginning January 1, 1990, each month the Department shall pay into the Local Government Tax Fund 16% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Beginning August 1, 2000, each month the Department shall pay into the Local Government Tax Fund 80% of the net revenue realized for the preceding month from the 1.25% rate on the selling price of motor fuel and gasohol.

Of the remainder of the moneys received by the Department pursuant to this Act, (a) 1.75% thereof shall be paid into the Build Illinois Fund and (b) prior to July 1, 1989, 2.2% and on and after July 1, 1989, 3.8% thereof shall be paid into the Build Illinois Fund; provided, however, that if in any fiscal year the sum of (1) the aggregate of 2.2% or 3.8%, as the case may be, of the moneys received by the Department and required to be paid into the Build Illinois Fund pursuant to this Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act, such Acts being hereinafter called the "Tax Acts" and such aggregate of 2.2% or 3.8%, as the case may be, of moneys being hereinafter called the "Tax Act Amount", and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall be less than the Annual Specified Amount (as hereinafter defined), an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; the "Annual Specified Amount" means the amounts specified below for fiscal years 1986 through 1993:

Fiscal Year	Annual Specified Amount
1986	\$54,800,000
1987	\$76,650,000
1988	\$80,480,000
1989	\$88,510,000
1990	\$115,330,000
1991	\$145,470,000
1992	\$182,730,000
1993	\$206,520,000;

and means the Certified Annual Debt Service Requirement (as defined in Section 13 of the Build Illinois Bond Act) or the Tax Act Amount,

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whichever is greater, for fiscal year 1994 and each fiscal year thereafter; and further provided, that if on the last business day of any month the sum of (1) the Tax Act Amount required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund during such month and (2) the amount transferred to the Build Illinois Fund from the State and Local Sales Tax Reform Fund shall have been less than 1/12 of the Annual Specified Amount, an amount equal to the difference shall be immediately paid into the Build Illinois Fund from other moneys received by the Department pursuant to the Tax Acts; and, further provided, that in no event shall the payments required under the preceding proviso result in aggregate payments into the Build Illinois Fund pursuant to this clause (b) for any fiscal year in excess of the greater of (i) the Tax Act Amount or (ii) the Annual Specified Amount for such fiscal year. The amounts payable into the Build Illinois Fund under clause (b) of the first sentence in this paragraph shall be payable only until such time as the aggregate amount on deposit under each trust indenture securing Bonds issued and outstanding pursuant to the Build Illinois Bond Act is sufficient, taking into account any future investment income, to fully provide, in accordance with such indenture, for the defeasance of or the payment of the principal of, premium, if any, and interest on the Bonds secured by such indenture and on any Bonds expected to be issued thereafter and all fees and costs payable with respect thereto, all as certified by the Director of the Bureau of the Budget. If on the last business day of any month in which Bonds are outstanding pursuant to the Build Illinois Bond Act, the aggregate of moneys deposited in the Build Illinois Bond Account in the Build Illinois Fund in such month shall be less than the amount required to be transferred in such month from the Build Illinois Bond Account to the Build Illinois Bond Retirement and Interest Fund pursuant to Section 13 of the Build Illinois Bond Act, an amount equal to such deficiency shall be immediately paid from other moneys received by the Department pursuant to the Tax Acts to the Build Illinois Fund; provided, however, that any amounts paid to the Build Illinois Fund in any fiscal year pursuant to this sentence shall be deemed to constitute payments pursuant to clause (b) of the first sentence of this paragraph and shall reduce the amount otherwise payable for such fiscal year pursuant to that clause (b). The moneys received by the Department pursuant to this Act and required to be deposited into the Build Illinois Fund are subject to the pledge, claim and charge set forth in Section 12 of the Build Illinois Bond Act.

Subject to payment of amounts into the Build Illinois Fund as provided in the preceding paragraph or in any amendment thereto hereafter enacted, the following specified monthly installment of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority provided under Section 8.25f of the State Finance Act, but not in excess of sums designated as "Total Deposit", shall be deposited in the aggregate from collections under Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, Section 9 of the Service Occupation Tax Act, and Section 3 of the Retailers' Occupation Tax Act into the McCormick Place Expansion Project Fund in the specified fiscal years.

Fiscal Year	Total Deposit
1993	\$0
1994	53,000,000
1995	58,000,000
1996	61,000,000
1997	64,000,000
1998	68,000,000
1999	71,000,000

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2000		75,000,000
2001		80,000,000
2002	<u>93,000,000</u>	84,000,000
2003	<u>99,000,000</u>	89,000,000
2004	<u>103,000,000</u>	93,000,000
2005	<u>108,000,000</u>	97,000,000
2006	<u>113,000,000</u>	102,000,000
2007	<u>119,000,000</u>	108,000,000
2008	<u>126,000,000</u>	115,000,000
2009	<u>132,000,000</u>	120,000,000
2010	<u>139,000,000</u>	126,000,000
2011	<u>146,000,000</u>	132,000,000
2012	<u>153,000,000</u>	138,000,000
2013		161,000,000
2014		170,000,000
2015		179,000,000
2016		189,000,000
2017		199,000,000
2018		210,000,000
2019		221,000,000
2020		233,000,000
2021		246,000,000
2022		260,000,000
2023 and		275,000,000
		145,000,000

each fiscal year
thereafter that bonds
are outstanding under
Section 13.2 of the
Metropolitan Pier and
Exposition Authority
Act, but not after fiscal year 2042 2029.

Beginning July 20, 1993 and in each month of each fiscal year thereafter, one-eighth of the amount requested in the certificate of the Chairman of the Metropolitan Pier and Exposition Authority for that fiscal year, less the amount deposited into the McCormick Place Expansion Project Fund by the State Treasurer in the respective month under subsection (g) of Section 13 of the Metropolitan Pier and Exposition Authority Act, plus cumulative deficiencies in the deposits required under this Section for previous months and years, shall be deposited into the McCormick Place Expansion Project Fund, until the full amount requested for the fiscal year, but not in excess of the amount specified above as "Total Deposit", has been deposited.

Subject to payment of amounts into the Build Illinois Fund and the McCormick Place Expansion Project Fund pursuant to the preceding paragraphs or in any amendment thereto hereafter enacted, each month the Department shall pay into the Local Government Distributive Fund 0.4% of the net revenue realized for the preceding month from the 5% general rate or 0.4% of 80% of the net revenue realized for the preceding month from the 6.25% general rate, as the case may be, on the selling price of tangible personal property which amount shall, subject to appropriation, be distributed as provided in Section 2 of the State Revenue Sharing Act. No payments or distributions pursuant to this paragraph shall be made if the tax imposed by this Act on photoprocessing products is declared unconstitutional, or if the proceeds from such tax are unavailable for distribution because of litigation.

Subject to payment of amounts into the Build Illinois Fund and, the McCormick Place Expansion Project Fund pursuant to the preceding

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paragraphs or in any amendments thereto hereafter enacted, beginning July 1, 1993, the Department shall each month pay into the Illinois Tax Increment Fund 0.27% of 80% of the net revenue realized for the preceding month from the 6.25% general rate on the selling price of tangible personal property.

Of the remainder of the moneys received by the Department pursuant to this Act, 75% thereof shall be paid into the State Treasury and 25% shall be reserved in a special account and used only for the transfer to the Common School Fund as part of the monthly transfer from the General Revenue Fund in accordance with Section 8a of the State Finance Act.

The Department may, upon separate written notice to a taxpayer, require the taxpayer to prepare and file with the Department on a form prescribed by the Department within not less than 60 days after receipt of the notice an annual information return for the tax year specified in the notice. Such annual return to the Department shall include a statement of gross receipts as shown by the retailer's last Federal income tax return. If the total receipts of the business as reported in the Federal income tax return do not agree with the gross receipts reported to the Department of Revenue for the same period, the retailer shall attach to his annual return a schedule showing a reconciliation of the 2 amounts and the reasons for the difference. The retailer's annual return to the Department shall also disclose the cost of goods sold by the retailer during the year covered by such return, opening and closing inventories of such goods for such year, costs of goods used from stock or taken from stock and given away by the retailer during such year, payroll information of the retailer's business during such year and any additional reasonable information which the Department deems would be helpful in determining the accuracy of the monthly, quarterly or annual returns filed by such retailer as provided for in this Section.

If the annual information return required by this Section is not filed when and as required, the taxpayer shall be liable as follows:

(i) Until January 1, 1994, the taxpayer shall be liable for a penalty equal to 1/6 of 1% of the tax due from such taxpayer under this Act during the period to be covered by the annual return for each month or fraction of a month until such return is filed as required, the penalty to be assessed and collected in the same manner as any other penalty provided for in this Act.

(ii) On and after January 1, 1994, the taxpayer shall be liable for a penalty as described in Section 3-4 of the Uniform Penalty and Interest Act.

The chief executive officer, proprietor, owner or highest ranking manager shall sign the annual return to certify the accuracy of the information contained therein. Any person who willfully signs the annual return containing false or inaccurate information shall be guilty of perjury and punished accordingly. The annual return form prescribed by the Department shall include a warning that the person signing the return may be liable for perjury.

The provisions of this Section concerning the filing of an annual information return do not apply to a retailer who is not required to file an income tax return with the United States Government.

As soon as possible after the first day of each month, upon certification of the Department of Revenue, the Comptroller shall order transferred and the Treasurer shall transfer from the General Revenue Fund to the Motor Fuel Tax Fund an amount equal to 1.7% of 80% of the net revenue realized under this Act for the second preceding month. Beginning April 1, 2000, this transfer is no longer required and shall not be made.

Net revenue realized for a month shall be the revenue collected

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by the State pursuant to this Act, less the amount paid out during that month as refunds to taxpayers for overpayment of liability.

For greater simplicity of administration, manufacturers, importers and wholesalers whose products are sold at retail in Illinois by numerous retailers, and who wish to do so, may assume the responsibility for accounting and paying to the Department all tax accruing under this Act with respect to such sales, if the retailers who are affected do not make written objection to the Department to this arrangement.

Any person who promotes, organizes, provides retail selling space for concessionaires or other types of sellers at the Illinois State Fair, DuQuoin State Fair, county fairs, local fairs, art shows, flea markets and similar exhibitions or events, including any transient merchant as defined by Section 2 of the Transient Merchant Act of 1987, is required to file a report with the Department providing the name of the merchant's business, the name of the person or persons engaged in merchant's business, the permanent address and Illinois Retailers Occupation Tax Registration Number of the merchant, the dates and location of the event and other reasonable information that the Department may require. The report must be filed not later than the 20th day of the month next following the month during which the event with retail sales was held. Any person who fails to file a report required by this Section commits a business offense and is subject to a fine not to exceed \$250.

Any person engaged in the business of selling tangible personal property at retail as a concessionaire or other type of seller at the Illinois State Fair, county fairs, art shows, flea markets and similar exhibitions or events, or any transient merchants, as defined by Section 2 of the Transient Merchant Act of 1987, may be required to make a daily report of the amount of such sales to the Department and to make a daily payment of the full amount of tax due. The Department shall impose this requirement when it finds that there is a significant risk of loss of revenue to the State at such an exhibition or event. Such a finding shall be based on evidence that a substantial number of concessionaires or other sellers who are not residents of Illinois will be engaging in the business of selling tangible personal property at retail at the exhibition or event, or other evidence of a significant risk of loss of revenue to the State. The Department shall notify concessionaires and other sellers affected by the imposition of this requirement. In the absence of notification by the Department, the concessionaires and other sellers shall file their returns as otherwise required in this Section.

(Source: P.A. 90-491, eff. 1-1-99; 90-612, eff. 7-8-98; 91-37, eff. 7-1-99; 91-51, eff. 6-30-99; 91-101, eff. 7-12-99; 91-541, eff. 8-13-99; 91-872, eff. 7-1-00; 91-901, eff. 1-1-01; revised.)

Section 35. The Cigarette Tax Act is amended by changing Section 29 as follows:

(35 ILCS 130/29) (from Ch. 120, par. 453.29)

Sec. 29. All moneys received by the Department from the one-half mill tax imposed by the Sixty-fourth General Assembly and all interest and penalties, received in connection therewith under the provisions of this Act shall be paid into the Metropolitan Fair and Exposition Authority Reconstruction Fund. All other moneys received by the Department under this Act shall be paid into the General Revenue Fund in the State treasury. After there has been paid into the Metropolitan Fair and Exposition Authority Reconstruction Fund sufficient money to pay in full both principal and interest, all of the outstanding bonds issued pursuant to the "Fair and Exposition Authority Reconstruction Act", the State Treasurer and Comptroller shall transfer to the General Revenue Fund the balance of moneys

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remaining in the Metropolitan Fair and Exposition Authority Reconstruction Fund except for \$2,500,000 which shall remain in the Metropolitan Fair and Exposition Authority Reconstruction Fund and which may be appropriated by the General Assembly for the corporate purposes of the Metropolitan Pier and Exposition Authority. All monies received by the Department in fiscal year 1978 and thereafter from the one-half mill tax imposed by the Sixty-fourth General Assembly, and all interest and penalties received in connection therewith under the provisions of this Act, shall be paid into the General Revenue Fund, except that the Department shall pay the first \$4,800,000 received in fiscal years year 1979 through 2001 and ~~each fiscal--year--thereafter~~ from that one-half mill tax into the Metropolitan Fair and Exposition Authority Reconstruction Fund which monies may be appropriated by the General Assembly for the corporate purposes of the Metropolitan Pier and Exposition Authority.

In fiscal year 2002 and each fiscal year thereafter, the first \$4,800,000 from the one-half mill tax shall be paid into the Statewide Economic Development Fund.

(Source: P.A. 87-895.)

Section 40. The Metropolitan Pier and Exposition Authority Act is amended by changing Sections 5, 10, 13.2, and 23.1 as follows:

(70 ILCS 210/5) (from Ch. 85, par. 1225)

Sec. 5. The Metropolitan Pier and Exposition Authority shall also have the following rights and powers:

(a) To accept from Chicago Park Fair, a corporation, an assignment of whatever sums of money it may have received from the Fair and Exposition Fund, allocated by the Department of Agriculture of the State of Illinois, and Chicago Park Fair is hereby authorized to assign, set over and transfer any of those funds to the Metropolitan Pier and Exposition Authority. The Authority has the right and power hereafter to receive sums as may be distributed to it by the Department of Agriculture of the State of Illinois from the Fair and Exposition Fund pursuant to the provisions of Sections 5, 6i, and 28 of the State Finance Act. All sums received by the Authority shall be held in the sole custody of the secretary-treasurer of the Metropolitan Pier and Exposition Board.

(b) To accept the assignment of, assume and execute any contracts heretofore entered into by Chicago Park Fair.

(c) To acquire, own, construct, equip, lease, operate and maintain grounds, buildings and facilities to carry out its corporate purposes and duties, and to carry out or otherwise provide for the recreational, cultural, commercial or residential development of Navy Pier, and to fix and collect just, reasonable and nondiscriminatory charges for the use thereof. The charges so collected shall be made available to defray the reasonable expenses of the Authority and to pay the principal of and the interest upon any revenue bonds issued by the Authority. The Authority shall be subject to and comply with the Lake Michigan and Chicago Lakefront Protection Ordinance, the Chicago Building Code, the Chicago Zoning Ordinance, and all ordinances and regulations of the City of Chicago contained in the following Titles of the Municipal Code of Chicago: Businesses, Occupations and Consumer Protection; Health and Safety; Fire Prevention; Public Peace, Morals and Welfare; Utilities and Environmental Protection; Streets, Public Ways, Parks, Airports and Harbors; Electrical Equipment and Installation; Housing and Economic Development (only Chapter 5-4 thereof); and Revenue and Finance (only so far as such Title pertains to the Authority's duty to collect taxes on behalf of the City of Chicago).

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(d) To enter into contracts treating in any manner with the objects and purposes of this Act.

(e) To lease any buildings to the Adjutant General of the State of Illinois for the use of the Illinois National Guard or the Illinois Naval Militia.

(f) To exercise the right of eminent domain by condemnation proceedings in the manner provided by Article VII of the Code of Civil Procedure, including, with respect to Site B only, the authority to exercise quick take condemnation by immediate vesting of title under Sections 7-103 through 7-112 of the Code of Civil Procedure, to acquire any privately owned real or personal property and, with respect to Site B only, public property used for rail transportation purposes (but no such taking of such public property shall, in the reasonable judgment of the owner, interfere with such rail transportation) for the lawful purposes of the Authority in Site A, at Navy Pier, and at Site B. Just compensation for property taken or acquired under this paragraph shall be paid in money or, notwithstanding any other provision of this Act and with the agreement of the owner of the property to be taken or acquired, the Authority may convey substitute property or interests in property or enter into agreements with the property owner, including leases, licenses, or concessions, with respect to any property owned by the Authority, or may provide for other lawful forms of just compensation to the owner. Any property acquired in condemnation proceedings shall be used only as provided in this Act. Except as otherwise provided by law, the City of Chicago shall have a right of first refusal prior to any sale of any such property by the Authority to a third party other than substitute property. The Authority shall develop and implement a relocation plan for businesses displaced as a result of the Authority's acquisition of property. The relocation plan shall be substantially similar to provisions of the Uniform Relocation Assistance and Real Property Acquisition Act and regulations promulgated under that Act relating to assistance to displaced businesses. To implement the relocation plan the Authority may acquire property by purchase or gift or may exercise the powers authorized in this subsection (f), except the immediate vesting of title under Sections 7-103 through 7-112 of the Code of Civil Procedure, to acquire substitute private property within one mile of Site B for the benefit of displaced businesses located on property being acquired by the Authority. However, no such substitute property may be acquired by the Authority unless the mayor of the municipality in which the property is located certifies in writing that the acquisition is consistent with the municipality's land use and economic development policies and goals. The acquisition of substitute property is declared to be for public use. In exercising the powers authorized in this subsection (f), the Authority shall use its best efforts to relocate businesses within the area of McCormick Place or, failing that, within the City of Chicago.

(g) To enter into contracts relating to construction projects which provide for the delivery by the contractor of a completed project, structure, improvement, or specific portion thereof, for a fixed maximum price, which contract may provide that the delivery of the project, structure, improvement, or specific portion thereof, for the fixed maximum price is insured or guaranteed by a third party capable of completing the construction.

(h) To enter into agreements with any person with respect

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to the use and occupancy of the grounds, buildings, and facilities of the Authority, including concession, license, and lease agreements on terms and conditions as the Authority determines. Notwithstanding Section 24, agreements with respect to the use and occupancy of the grounds, buildings, and facilities of the Authority for a term of more than one year shall be entered into in accordance with the procurement process provided for in Section 25.1.

(i) To enter into agreements with any person with respect to the operation and management of the grounds, buildings, and facilities of the Authority or the provision of goods and services on terms and conditions as the Authority determines.

(j) After conducting the procurement process provided for in Section 25.1, to enter into one or more contracts to provide for the design and construction of all or part of the Authority's Expansion Project grounds, buildings, and facilities. Any contract for design and construction of the Expansion Project shall be in the form authorized by subsection (g), shall be for a fixed maximum price not in excess of the funds that are authorized to be made available ~~under the provisions of this amendatory Act of 1991~~ for those purposes during the term of the contract, and shall be entered into before commencement of construction.

(k) To enter into agreements, including project agreements with labor unions, that the Authority deems necessary to complete the Expansion Project or any other construction or improvement project in the most timely and efficient manner and without strikes, picketing, or other actions that might cause disruption or delay and thereby add to the cost of the project.

Nothing in this Act shall be construed to authorize the Authority to spend the proceeds of any bonds or notes issued under Section 13.2 or any taxes levied under Section 13 to construct a stadium to be leased to or used by professional sports teams.

(Source: P.A. 91-101, eff. 7-12-99; 91-357, eff. 7-29-99.)

(70 ILCS 210/10) (from Ch. 85, par. 1230)

Sec. 10. The Authority shall have the continuing power to borrow money for the purpose of carrying out and performing its duties and exercising its powers under this Act.

For the purpose of evidencing the obligation of the Authority to repay any money borrowed as aforesaid, the Authority may, pursuant to ordinance adopted by the Board, from time to time issue and dispose of its revenue bonds and notes (herein collectively referred to as bonds), and may also from time to time issue and dispose of its revenue bonds to refund any bonds at maturity or pursuant to redemption provisions or at any time before maturity as provided for in Section 10.1. All such bonds shall be payable solely from any one or more of the following sources: the revenues or income to be derived from the fairs, expositions, meetings, and conventions and other authorized activities of the Authority; funds, if any, received and to be received by the Authority from the Fair and Exposition Fund, as allocated by the Department of Agriculture of this State; from the Metropolitan Fair and Exposition Authority Reconstruction Fund; from the Metropolitan Fair and Exposition Authority Improvement Bond Fund pursuant to appropriation by the General Assembly; from the McCormick Place Expansion Project Fund pursuant to appropriation by the General Assembly; from any revenues or funds pledged or provided for such purposes by any governmental agency; from any revenues of the Authority from taxes it is authorized to impose; from the proceeds of refunding bonds issued for that purpose; or from any other lawful source derived. Such bonds may bear such date or dates,

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may mature at such time or times not exceeding 40 35 years from their respective dates, may bear interest at such rate or rates payable at such times, may be in such form, may carry such registration privileges, may be executed in such manner, may be payable at such place or places, may be made subject to redemption in such manner and upon such terms, with or without premium as is stated on the face thereof, may be executed in such manner and may contain such terms and covenants, all as may be provided in the ordinance adopted by the Board providing for such bonds. In case any officer whose signature appears on any bond ceases (after attaching his signature) to hold office, his signature shall nevertheless be valid and effective for all purposes. The holder or holders of any bonds or interest coupons appertaining thereto issued by the Authority or any trustee on behalf of the holders may bring civil actions to compel the performance and observance by the Authority or any of its officers, agents or employees of any contract or covenant made by the Authority with the holders of such bonds or interest coupons and to compel the Authority and any of its officers, agents or employees to perform any duties required to be performed for the benefit of the holders of any such bonds or interest coupons by the provisions of the ordinance authorizing their issuance and to enjoin the Authority and any of its officers, agents or employees from taking any action in conflict with any such contract or covenant.

Notwithstanding the form and tenor of any such bonds and in the absence of any express recital on the face thereof that it is non-negotiable, all such bonds shall be negotiable instruments under the Uniform Commercial Code.

The bonds shall be sold by the corporate authorities of the Authority in such manner as the corporate authorities shall determine.

From and after the issuance of any bonds as herein provided it shall be the duty of the corporate authorities of the Authority to fix and establish rates, charges, rents and fees for the use of its grounds, buildings, and facilities that will be sufficient at all times, together with other revenues of the Authority available for that purpose, to pay:

- (a) The cost of maintaining, repairing, regulating and operating the grounds, buildings, and facilities; and
- (b) The bonds and interest thereon as they shall become due, and all sinking fund requirements and other requirements provided by the ordinance authorizing the issuance of the bonds or as provided by any trust agreement executed to secure payment thereof.

The Authority may provide that bonds issued under this Act shall be payable from and secured by an assignment and pledge of and grant of a lien on and a security interest in unexpended bond proceeds, the proceeds of any refunding bonds, reserves or sinking funds and earnings thereon, or all or any part of the moneys, funds, income and revenues of the Authority from any source derived, including, without limitation, any revenues of the Authority from taxes it is authorized to impose, the net revenues of the Authority from its operations, payments from the Metropolitan Fair and Exposition Authority Improvement Bond Fund or from the McCormick Place Expansion Project Fund to the Authority or upon its direction to any trustee or trustees under any trust agreement securing such bonds, payments from any governmental agency, or any combination of the foregoing. In no event shall a lien or security interest upon the physical facilities of the Authority be created by any such lien, pledge or security interest. The Authority may execute and deliver a trust agreement or agreements to secure the payment of such bonds and for the purpose of

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setting forth covenants and undertakings of the Authority in connection with issuance thereof. Such pledge, assignment and grant of a lien and security interest shall be effective immediately without any further filing or action and shall be effective with respect to all persons regardless of whether any such person shall have notice of such pledge, assignment, lien or security interest.

In connection with the issuance of its bonds, the Authority may enter into arrangements to provide additional security and liquidity for the bonds. These may include, without limitation, municipal bond insurance, letters of credit, lines of credit by which the Authority may borrow funds to pay or redeem its bonds and purchase or remarketing arrangements for assuring the ability of owners of the Authority's bonds to sell or to have redeemed their bonds. The Authority may enter into contracts and may agree to pay fees to persons providing such arrangements, including from bond proceeds. No such arrangement or contract shall be considered a bond or note for purposes of any limitation on the issuance of bonds or notes by the Authority.

The ordinance of the Board authorizing the issuance of its bonds may provide that interest rates may vary from time to time depending upon criteria established by the Board, which may include, without limitation, a variation in interest rates as may be necessary to cause bonds to be remarketable from time to time at a price equal to their principal amount, and may provide for appointment of a national banking association, bank, trust company, investment banker or other financial institution to serve as a remarketing agent in that connection. The ordinance of the board authorizing the issuance of its bonds may provide that alternative interest rates or provisions will apply during such times as the bonds are held by a person providing a letter of credit or other credit enhancement arrangement for those bonds.

To secure the payment of any or all of such bonds and for the purpose of setting forth the covenants and undertakings of the Authority in connection with the issuance thereof and the issuance of any additional bonds payable from moneys, funds, revenue and income of the Authority to be derived from any source, the Authority may execute and deliver a trust agreement or agreements; provided that no lien upon any real property of the Authority shall be created thereby.

A remedy for any breach or default of the terms of any such trust agreement by the Authority may be by mandamus proceedings in the circuit court to compel performance and compliance therewith, but the trust agreement may prescribe by whom or on whose behalf such action may be instituted.

In connection with the issuance of its bonds under this Act, the Authority may enter into contracts that it determines necessary or appropriate to permit it to manage payment or interest rate risk. These contracts may include, but are not limited to, interest rate exchange agreements; contracts providing for payment or receipt of funds based on levels of or changes in interest rates; contracts to exchange cash flows or series of payments; and contracts incorporating interest rate caps, collars, floors, or locks.
(Source: P.A. 87-733.)

(70 ILCS 210/13.2) (from Ch. 85, par. 1233.2)

Sec. 13.2. The McCormick Place Expansion Project Fund is created in the State Treasury. All moneys in the McCormick Place Expansion Project Fund are allocated to and shall be appropriated and used only for the purposes authorized by and subject to the limitations and conditions of this Section. Those amounts may be appropriated by law to the Authority for the purposes of paying the debt service

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requirements on all bonds and notes, including bonds and notes issued to refund or advance refund bonds and notes issued under this Section or issued to refund or advance refund bonds and notes otherwise issued under this Act, (collectively referred to as "bonds") to be issued by the Authority under this Section in an aggregate original principal amount (excluding the amount of any bonds and notes issued to refund or advance refund bonds or notes issued under this Section) not to exceed \$2,107,000,000 ~~\$1,307,000,000~~ for the purposes of carrying out and performing its duties and exercising its powers under this Act. No bonds issued to refund or advance refund bonds issued under this Section may mature later than the longest maturity date of the series of bonds being refunded. After the aggregate original principal amount of bonds authorized in this Section has been issued, the payment of any principal amount of such bonds does not authorize the issuance of additional bonds (except refunding bonds).

On the first day of each month commencing after July 1, 1993, amounts, if any, on deposit in the McCormick Place Expansion Project Fund shall, subject to appropriation, be paid in full to the Authority or, upon its direction, to the trustee or trustees for bondholders of bonds that by their terms are payable from the moneys received from the McCormick Place Expansion Project Fund, until an amount equal to 100% of the aggregate amount of the principal and interest in the fiscal year, including that pursuant to sinking fund requirements, has been so paid and deficiencies in reserves shall have been remedied.

The State of Illinois pledges to and agrees with the holders of the bonds of the Metropolitan Pier and Exposition Authority issued under this Section that the State will not limit or alter the rights and powers vested in the Authority by this Act so as to impair the terms of any contract made by the Authority with those holders or in any way impair the rights and remedies of those holders until the bonds, together with interest thereon, interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of those holders are fully met and discharged; provided that any increase in the Tax Act Amounts specified in Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund pursuant to any law hereafter enacted shall not be deemed to impair the rights of such holders so long as the increase does not result in the aggregate debt service payable in the current or any future fiscal year of the State on all bonds issued pursuant to the Build Illinois Bond Act and the Metropolitan Pier and Exposition Authority Act and payable from tax revenues specified in Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act exceeding 33 1/3% of such tax revenues for the most recently completed fiscal year of the State at the time of such increase. In addition, the State pledges to and agrees with the holders of the bonds of the Authority issued under this Section that the State will not limit or alter the basis on which State funds are to be paid to the Authority as provided in this Act or the use of those funds so as to impair the terms of any such contract; provided that any increase in the Tax Act Amounts specified in Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act required to be deposited into the Build Illinois Bond Account in the Build Illinois Fund pursuant to any law hereafter

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enacted shall not be deemed to impair the terms of any such contract so long as the increase does not result in the aggregate debt service payable in the current or any future fiscal year of the State on all bonds issued pursuant to the Build Illinois Bond Act and the Metropolitan Pier and Exposition Authority Act and payable from tax revenues specified in Section 3 of the Retailers' Occupation Tax Act, Section 9 of the Use Tax Act, Section 9 of the Service Use Tax Act, and Section 9 of the Service Occupation Tax Act exceeding 33 1/3% of such tax revenues for the most recently completed fiscal year of the State at the time of such increase. The Authority is authorized to include these pledges and agreements with the State in any contract with the holders of bonds issued under this Section.

The State shall not be liable on bonds of the Authority issued under this Section those bonds shall not be a debt of the State, and this Act shall not be construed as a guarantee by the State of the debts of the Authority. The bonds shall contain a statement to this effect on the face of the bonds.

(Source: P.A. 90-612, eff. 7-8-98; 91-101, eff. 7-12-99.)

(70 ILCS 210/23.1) (from Ch. 85, par. 1243.1)

Sec. 23.1. Affirmative action.

(a) The Authority shall, within 90 days after the effective date of this amendatory Act of 1984, establish and maintain an affirmative action program designed to promote equal employment opportunity and eliminate the effects of past discrimination. Such program shall include a plan, including timetables where appropriate, which shall specify goals and methods for increasing participation by women and minorities in employment by the Authority and by parties which contract with the Authority. The Authority shall submit a detailed plan with the General Assembly prior to September 1 of each year. Such program shall also establish procedures and sanctions (including debarment), which the Authority shall enforce to ensure compliance with the plan established pursuant to this Section and with State and federal laws and regulations relating to the employment of women and minorities. A determination by the Authority as to whether a party to a contract with the Authority has achieved the goals or employed the methods for increasing participation by women and minorities shall be determined in accordance with the terms of such contracts or the applicable provisions of rules and regulations of the Authority existing at the time such contract was executed, including any provisions for consideration of good faith efforts at compliance which the Authority may reasonably adopt.

(b) The Authority shall adopt and maintain minority and female owned business enterprise procurement programs under the affirmative action program described in subsection (a) for any and all work undertaken by the Authority. That work shall include, but is not limited to, the purchase of professional services, construction services, supplies, materials, and equipment. The programs shall establish goals of awarding not less than 25% of the annual dollar value of all contracts, purchase orders, or other agreements (collectively referred to as "contracts") to minority owned businesses and 5% of the annual dollar value of all contracts to female owned businesses. Without limiting the generality of the foregoing, the programs shall require in connection with the prequalification or consideration of vendors for professional service contracts, construction contracts, and contracts for supplies, materials, equipment, and services that each proposer or bidder submit as part of his or her proposal or bid a commitment detailing how he or she will expend 25% or more of the dollar value of his or her contracts with one or more minority owned businesses and 5% or more of the dollar value with one or more female owned businesses.

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Bids or proposals that do not include such detailed commitments are not responsive and shall be rejected unless the Authority deems it appropriate to grant a waiver of these requirements. In addition the Authority may, in connection with the selection of providers of professional services, reserve the right to select a minority or female owned business or businesses to fulfill the commitment to minority and female business participation. The commitment to minority and female business participation may be met by the contractor or professional service provider's status as a minority or female owned business, by joint venture or by subcontracting a portion of the work with or purchasing materials for the work from one or more such businesses, or by any combination thereof. Each contract shall require the contractor or provider to submit a certified monthly report detailing the status of that contractor or provider's compliance with the Authority's minority and female owned business enterprise procurement program. The Authority, after reviewing the monthly reports of the contractors and providers, shall compile a comprehensive report regarding compliance with this procurement program and file it quarterly with the General Assembly. If, in connection with a particular contract, the Authority determines that it is impracticable or excessively costly to obtain minority or female owned businesses to perform sufficient work to fulfill the commitment required by this subsection, the Authority shall reduce or waive the commitment in the contract, as may be appropriate. The Authority shall establish rules and regulations setting forth the standards to be used in determining whether or not a reduction or waiver is appropriate. The terms "minority owned business" and "female owned business" have the meanings given to those terms in the Minority--and--Female Business Enterprise for Minorities, Females, and Persons with Disabilities Act.

(c) The Authority shall adopt and maintain an affirmative action program in connection with the hiring of minorities and women on the Expansion Project and on any and all construction projects undertaken by the Authority. The program shall be designed to promote equal employment opportunity and shall specify the goals and methods for increasing the participation of minorities and women in a representative mix of job classifications required to perform the respective contracts awarded by the Authority.

(d) In connection with the Expansion Project, the Authority shall incorporate the following elements into its minority and female owned business procurement programs to the extent feasible: (1) a major contractors program that permits minority owned businesses and female owned businesses to bear significant responsibility and risk for a portion of the project; (2) a mentor/protege program that provides financial, technical, managerial, equipment, and personnel support to minority owned businesses and female owned businesses; (3) an emerging firms program that includes minority owned businesses and female owned businesses that would not otherwise qualify for the project due to inexperience or limited resources; (4) a small projects program that includes participation by smaller minority owned businesses and female owned businesses on jobs where the total dollar value is \$5,000,000 or less; and (5) a set-aside program that will identify contracts requiring the expenditure of funds less than \$50,000 for bids to be submitted solely by minority owned businesses and female owned businesses.

(e) The Authority is authorized to enter into agreements with contractors' associations, labor unions, and the contractors working on the Expansion Project to establish an Apprenticeship Preparedness Training Program to provide for an increase in the number of minority and female journeymen and apprentices in the building trades and to

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enter into agreements with Community College District 508 to provide readiness training. The Authority is further authorized to enter into contracts with public and private educational institutions and persons in the hospitality industry to provide training for employment in the hospitality industry.

(f) McCormick Place Advisory Board. There is created a McCormick Place Advisory Board composed as follows: 2 members shall be appointed by the Mayor of Chicago; 2 members shall be appointed by the Governor; 2 members shall be State Senators appointed by the President of the Senate; 2 members shall be State Senators appointed by the Minority Leader of the Senate; 2 members shall be State Representatives appointed by the Speaker of the House of Representatives; and 2 members shall be State Representatives appointed by the Minority Leader of the House of Representatives. ~~7 members shall be named by the Authority who are residents of the area surrounding the McCormick Place Expansion Project and are either minorities, as defined in this subsection, or women; 7 members shall be State Senators named by the President of the Senate who are residents of the City of Chicago and are either members of minority groups or women; and 7 members shall be State Representatives named by the Speaker of the House who are residents of the City of Chicago and are either members of minority groups or women. The terms of all previously appointed members of the Advisory Board expire on the effective date of this amendatory Act of the 92nd General Assembly.~~ A State Senator or State Representative member may appoint a designee to serve on the McCormick Place Advisory Board in his or her absence.

A "member of a minority group" shall mean a person who is a citizen or lawful permanent resident of the United States and who is

(1) Black (a person having origins in any of the black racial groups in Africa);

(2) Hispanic (a person of Spanish or Portuguese culture with origins in Mexico, South or Central America, or the Caribbean Islands, regardless of race);

(3) Asian American (a person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands); or

(4) American Indian or Alaskan Native (a person having origins in any of the original peoples of North America).

Members of the McCormick Place Advisory Board shall serve 2-year terms and until their successors are appointed, except members who serve as a result of their elected position whose terms shall continue as long as they hold their designated elected positions. Vacancies shall be filled by appointment for the unexpired term in the same manner as original appointments are made. The McCormick Place Advisory Board shall elect its own chairperson.

Members of the McCormick Place Advisory Board shall serve without compensation but, at the Authority's discretion, shall be reimbursed for necessary expenses in connection with the performance of their duties.

The McCormick Place Advisory Board shall meet quarterly, or as needed, shall produce any reports it deems necessary, and shall:

(1) Work with the Authority on ways to improve the area physically and economically;

(2) Work with the Authority regarding potential means for providing increased economic opportunities to minorities and women produced indirectly or directly from the construction and operation of the Expansion Project;

(3) Work with the Authority to minimize any potential impact on the area surrounding the McCormick Place Expansion Project, including any impact on minority or female owned

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businesses, resulting from the construction and operation of the Expansion Project;

(4) Work with the Authority to find candidates for building trades apprenticeships, for employment in the hospitality industry, and to identify job training programs;

(5) Work with the Authority to implement the provisions of subsections (a) through (e) of this Section in the construction of the Expansion Project, including the Authority's goal of awarding not less than 25% and 5% of the annual dollar value of contracts to minority and female owned businesses, the outreach program for minorities and women, and the mentor/protege program for providing assistance to minority and female owned businesses. (Source: P.A. 91-422, eff. 1-1-00; revised 8-23-99.)

Section 90. Inseverability. The provisions of this Act are mutually dependent and inseverable. If any provision or its application to any person or circumstance is held invalid, than this entire Act is invalid.

Section 99. Effective date. This Act takes effect upon becoming law."

The motion prevailed and the amendment was adopted and ordered printed.

And House Bill No. 263, as amended, was returned to the order of third reading.

READING A BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Dillard, House Bill No. 263 having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 45; Nays 8; Present 4.

The following voted in the affirmative:

Bowles
Burzynski
Clayborne
Cronin
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Dudycz
Geo-Karis
Halvorson
Hendon
Jacobs
Jones, E.
Karpiel
Klemm
Lauzen
Lightford
Link
Madigan, L.
Madigan, R.
Mahar

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Molaro
 Munoz
 Obama
 O'Malley
 Peterson
 Petka
 Rauschenberger
 Ronen
 Roskam
 Shadid
 Shaw
 Silverstein
 Smith
 Sullivan
 Syverson
 Trotter
 Viverito
 Walsh, L.
 Watson
 Welch
 Woolard
 Mr. President

The following voted in the negative:

Bomke
 Donahue
 Luechtefeld
 Myers
 Noland
 Parker
 Radogno
 Walsh, T.

The following voted present:

Hawkinson
 Jones, W.
 Sieben
 Weaver

This bill, having received the vote of a constitutional majority of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence in the Senate Amendments adopted thereto.

HOUSE BILL RECALLED

On motion of Senator Dillard, House Bill No. 1655 was recalled from the order of third reading to the order of second reading.

Senator Dillard offered the following amendment and moved its adoption:

AMENDMENT NO. 2

AMENDMENT NO. 2. Amend House Bill 1655, AS AMENDED, by replacing the title with the following:

"AN ACT concerning economic development."; and

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by replacing everything after the enacting clause with the following:
 "Section 1. Short title. This Act may be cited as the Corporate Headquarters Relocation Act.

Section 5. Purpose. The General Assembly has determined that the relocation of the international headquarters of large, multinational corporations from outside of Illinois to a location within Illinois creates a substantial public benefit and will foster economic growth and development within the State. Specifically, these relocations will foster a positive image of the State of Illinois and its human and natural resources throughout the United States and the world; contribute to a strong residential housing market; directly and indirectly create jobs and additional taxes within the State; encourage the relocation of other similar businesses to the State; and otherwise foster the development of commerce and industry within the State of Illinois. These relocations should be encouraged through the use of incentives that encourage long-term commitments by business and industry to Illinois and that would otherwise not be available through existing incentives programs.

Section 10. Definitions. As used in this Act:

"Corporate headquarters" means the building or buildings that the principal executive officers of an eligible business have designated as their principal offices and that has at least 250 employees who are principally located in that building or those buildings. The principal executive officers may include, by way of example and not of limitation, the chief executive officer, the chief operating officer, and other senior officer-level employees of the eligible business. "Corporate headquarters" may also include ancillary transportation facilities owned or leased by the eligible business whether or not physically adjacent to the principal office building or buildings used by the principal executive officers. The ancillary transportation facilities may include, but are not limited to, airplane hangars, helipads or heliports, fixed base operations, maintenance facilities, and other aviation-related facilities. All employees of the eligible business may count toward the satisfaction of the numeric requirement of this definition, including but not limited to support staff and other personnel who work in or from the office building or buildings or transportation facilities.

"Department" means the Department of Commerce and Community Affairs.

"Director" means the Director of Commerce and Community Affairs.

"Eligible business" means a business that is: (i) engaged in interstate or intrastate commerce; (ii) maintains its corporate headquarters in a state other than Illinois as of the effective date of this Act; (iii) had annual worldwide revenues of at least \$25,000,000,000 for the year immediately preceding its application to the Department for the benefits authorized by this Act; and (iv) is prepared to commit contractually to relocating its corporate headquarters to the State of Illinois in consideration of the benefits authorized by this Act.

"Fund" means the Corporate Headquarters Relocation Assistance Fund.

"Qualifying project" means the relocation of the corporate headquarters of an eligible business from a location outside of Illinois to a location within Illinois, whether to an existing structure or otherwise. When the relocation involves an initial interim facility within Illinois and a subsequent further relocation within 5 years after the effective date of this Act to a permanent facility also within Illinois, all those activities collectively constitute a "qualifying project" under this Act.

"Relocation costs" means the expenses incurred by an eligible

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business for a qualifying project, including, but not limited to, the following: moving costs and related expenses; purchase of new or replacement equipment; outside professional fees and commissions; premiums for property and casualty insurance coverage; capital investment costs; financing costs; property assembly and development costs, including, but not limited to, the purchase, lease, and construction of equipment, buildings, and land, infrastructure improvements and site development costs, leasehold improvements costs, rehabilitation costs, and costs of studies, surveys, development of plans, and professional services costs such as architectural, engineering, legal, financial, planning, or other related services; "relocation costs", however, does not include moving costs associated with the relocation of the personal residences of the employees of the eligible business.

Section 15. Powers of the Department. The Department, in addition to the powers granted under the Civil Administrative Code of Illinois, has all the powers necessary and convenient to carry out and effectuate the purposes and provisions of this Act, including, but not limited to, the power to:

(1) promulgate rules and establish procedures deemed necessary and appropriate for the administration of this Act;

(2) negotiate and execute any term, agreement, or other document with any person, entity, or body politic necessary or appropriate to accomplish the purposes of this Act;

(3) fix, determine, charge, and collect premiums, fees, charges, costs, and expenses from eligible businesses, including, without limitation, application fees, commitment fees, program fees, financing charges, or publication fees as deemed appropriate to pay expenses necessary or incident to the administration of the Department's activities and duties under this Act, including the preparation and enforcement of any agreement, or for consultation services, legal services, or other costs;

(4) require eligible businesses, upon written request, to issue any necessary authorization to the appropriate federal, state, or local authority for the release of information concerning a qualifying project; and

(5) take whatever actions are necessary or appropriate to protect the State's interest in the event of bankruptcy, default, foreclosure, or noncompliance with the terms and conditions of any agreement entered into pursuant to this Act, including the power to sell, dispose, lease, or rent, upon terms and conditions determined by the Director to be appropriate, real or personal property that the Department may receive as a result of these actions.

Section 20. Reimbursement for relocation costs. Upon receipt and approval of an application from an eligible business proposing a qualifying project, the Department may enter into an agreement with the eligible business wherein the Department agrees to reimburse the eligible business for its relocation costs subject to the following terms, conditions, and limitations:

(1) The eligible business must apply to the Department for reimbursement of its relocation costs.

(2) The application submitted by the eligible business must identify with specificity the relocation costs for which reimbursement is sought, and the eligible business must provide the Department with all supporting documentation as requested by the Department. The eligible business may amend its application for reimbursement from time to time in order to cover additional relocation costs incurred after the submission of an initial

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application.

(3) The Department reserves the right to approve or disapprove specific items and categories of relocation costs.

(4) The eligible business must in fact relocate its corporate headquarters to the State of Illinois within a time frame specified by the Department.

(5) The eligible business may receive reimbursement for not greater than 50% of its documented relocation costs.

(6) The agreement between the Department and the eligible business must provide that reimbursement will be provided by means of one or more grants that shall be issued annually by the Department for a period not to exceed 10 years or until 50% of the eligible business' relocation costs are reimbursed, whichever occurs first.

(7) The amount of the annual grant that may be issued to the eligible business by the Department may not exceed 50% of the total amount withheld from employees of the eligible business employed at the corporate headquarters during the preceding calendar year under Article 7 of the Illinois Income Tax Act.

(8) In applying to the Department for reimbursement, the eligible business must certify the total amount withheld during the preceding calendar year under Article 7 of the Illinois Income Tax Act from its employees employed at the corporate headquarters.

(9) The Department may issue grants from the Corporate Headquarters Relocation Assistance Fund to eligible businesses for reimbursement of relocation costs as provided by this Act.

Section 25. Review of application for reimbursement. No eligible business is eligible for reimbursement of relocation costs under this Act unless the Department determines at the time of the eligible business' initial application that, if not for that reimbursement, the eligible business would not have determined to relocate its corporate headquarters to Illinois. The eligible business may satisfy this requirement by, among other means, presenting evidence to the Department that the eligible business has or had multi-state location options and could reasonably and efficiently have located its corporate headquarters to a state other than Illinois; by a demonstration that at least one other state is or was being considered for the location of its corporate headquarters; or through evidence that receipt of the benefits authorized by this Act is an important factor in the eligible business' decision to locate its corporate headquarters to Illinois, and that without that assistance, the eligible business likely would not establish its corporate headquarters in Illinois.

Section 30. Transfers to Corporate Headquarters Relocation Assistance Fund. Upon receipt of a certification by the eligible business of the aggregate amount withheld from its employees employed at the corporate headquarters during the preceding calendar year under Article 7 of the Illinois Income Tax Act, the Department shall then certify to the State Treasurer that 50% of that amount is eligible to be transferred from the General Revenue Fund to the Corporate Headquarters Relocation Assistance Fund. This amount shall be referred to as the "certified transfer amount". Upon receipt the certification from the Department, the Treasurer shall transfer the certified transfer amount within 30 days from the General Revenue Fund to the Corporate Headquarters Relocation Assistance Fund.

Section 35. Corporate Headquarters Relocation Assistance Fund; creation. The Corporate Headquarters Relocation Assistance Fund is created as a separate fund within the State treasury. From the Fund and pursuant to the provisions of this Act, the Department may issue

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grants to reimburse eligible businesses for relocation costs incurred in connection with the relocation of a corporate headquarters to the State of Illinois.

Section 40. Extended duration of tax credits; Economic Development for a Growing Economy Tax Credit Act. Upon receipt and approval of an application from an eligible business proposing a qualifying project, the Department may certify the eligible business as qualifying for the currently available 10 years plus an additional 5 years of tax credits under the Economic Development for a Growing Economy Tax Credit Act if (i) the Department first determines the eligible business is in compliance with the requirements of the Economic Development for a Growing Economy Tax Credit Act and (ii) the eligible business in fact undertakes a qualifying project within a time frame specified by the Department.

Section 45. Other incentives. Nothing in this Act precludes an eligible business with respect to a qualifying project from applying for or receiving any other federal, State, or local assistance or incentives in connection with the relocation of its corporate headquarters to the State of Illinois.

Section 905. The State Finance Act is amended by adding Section 5.545 as follows:

(30 ILCS 105/5.545 new)

Sec. 5.545. The Corporate Headquarters Relocation Assistance Fund.

Section 910. The Illinois Income Tax Act is amended by changing Section 211 as follows:

(35 ILCS 5/211)

Sec. 211. Economic Development for a Growing Economy Tax Credit. For tax years beginning on or after January 1, 1999, a Taxpayer who has entered an Agreement under the Economic Development for a Growing Economy Tax Credit Act is entitled to a credit against the taxes imposed under subsections (a) and (b) of Section 201 of this Act in an amount to be determined in the Agreement. If the Taxpayer is a partnership or Subchapter S corporation, the credit shall be allowed to the partners or shareholders in accordance with the determination of income and distributive share of income under Sections 702 and 704 and subchapter S of the Internal Revenue Code. The Department, in cooperation with the Department of Commerce and Community Affairs, shall prescribe rules to enforce and administer the provisions of this Section. This Section is exempt from the provisions of Section 250 of this Act.

The credit shall be subject to the conditions set forth in the Agreement and the following limitations:

(1) The tax credit shall not exceed the Incremental Income Tax (as defined in Section 5-5 of the Economic Development for a Growing Economy Tax Credit Act) with respect to the project.

(2) The amount of the credit allowed during the tax year plus the sum of all amounts allowed in prior years shall not exceed 100% of the aggregate amount expended by the Taxpayer during all prior tax years on approved costs defined by Agreement.

(3) The amount of the credit shall be determined on an annual basis; however, the credit against any State tax liability may not be used in more than extend-beyond 10 taxable years, except that an eligible business certified by the Department of Commerce and Community Affairs under the Corporate Headquarters Relocation Act may not use the credit against any State tax liability for more than 15 taxable years after the project is first approved and may not extend beyond the expiration of the Agreement.

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(4) The credit may not exceed the amount of taxes imposed pursuant to subsections (a) and (b) of Section 201 of this Act. Any credit that is unused in the year the credit is computed may be carried forward and applied to the tax liability of the 5 taxable years following the excess credit year. The credit shall be applied to the earliest year for which there is a tax liability. If there are credits from more than one tax year that are available to offset a liability, the earlier credit shall be applied first.

(5) No credit shall be allowed with respect to any Agreement for any taxable year ending after the Noncompliance Date. Upon receiving notification by the Department of Commerce and Community Affairs of the noncompliance of a Taxpayer with an Agreement, the Department shall notify the Taxpayer that no credit is allowed with respect to that Agreement for any taxable year ending after the Noncompliance Date, as stated in such notification. If any credit has been allowed with respect to an Agreement for a taxable year ending after the Noncompliance Date for that Agreement, any refund paid to the Taxpayer for that taxable year shall, to the extent of that credit allowed, be an erroneous refund within the meaning of Section 912 of this Act.

(6) For purposes of this Section, the terms "Agreement", "Incremental Income Tax", and "Noncompliance Date" have the same meaning as when used in the Economic Development for a Growing Economy Tax Credit Act.

(Source: P.A. 91-476, eff. 8-11-99.)

Section 915. The Economic Development for a Growing Economy Tax Credit Act is amended by changing Sections 5-35 and 5-45 as follows:

(35 ILCS 10/5-35)

Sec. 5-35. Relocation of jobs in Illinois. A taxpayer is not entitled to claim the credit provided by this Act with respect to any jobs that the taxpayer relocates from one site in Illinois to another site in Illinois. A taxpayer with respect to a qualifying project certified under the Corporate Headquarters Relocation Act, however, is not subject to the requirements of this Section and is not considered an applicant for purposes of this Act. Moreover, any full-time employee of an eligible business relocated to Illinois in connection with that qualifying project is deemed to be a new employee for purposes of this Act. Determinations under this Section shall be made by the Department.

(Source: P.A. 91-476, eff. 8-11-99.)

(35 ILCS 10/5-45)

Sec. 5-45. Amount and duration of the credit. The Department shall determine the amount and duration of the credit awarded under this Act. The duration of the credit may not exceed 10 taxable years, except that the duration of the credit may not exceed 15 taxable years for eligible businesses that qualify under the Corporate Headquarters Relocation Act. The credit may be stated as a percentage of the Incremental Income Tax attributable to the applicant's project and may include a fixed dollar limitation.

(Source: P.A. 91-476, eff. 8-11-99.)

Section 920. The Property Tax Code is amended by changing Section 18-165 as follows:

(35 ILCS 200/18-165)

Sec. 18-165. Abatement of taxes.

(a) Any taxing district, upon a majority vote of its governing authority, may, after the determination of the assessed valuation of its property, order the clerk of that county to abate any portion of its taxes on the following types of property:

(1) Commercial and industrial.

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(A) The property of any commercial or industrial firm, including but not limited to the property of any firm that is used for collecting, separating, storing, or processing recyclable materials, locating within the taxing district during the immediately preceding year from another state, territory, or country, or having been newly created within this State during the immediately preceding year, or expanding an existing facility. The abatement shall not exceed a period of 10 years and the aggregate amount of abated taxes for all taxing districts combined shall not exceed \$4,000,000; or

(B) The property of any commercial or industrial development of at least 500 acres having been created within the taxing district. The abatement shall not exceed a period of 20 years and the aggregate amount of abated taxes for all taxing districts combined shall not exceed \$12,000,000.

(C) The property of any commercial or industrial firm currently located in the taxing district that expands a facility or its number of employees. The abatement shall not exceed a period of 10 years and the aggregate amount of abated taxes for all taxing districts combined shall not exceed \$4,000,000. The abatement period may be renewed at the option of the taxing districts.

(2) Horse racing. Any property in the taxing district which is used for the racing of horses and upon which capital improvements consisting of expansion, improvement or replacement of existing facilities have been made since July 1, 1987. The combined abatements for such property from all taxing districts in any county shall not exceed \$5,000,000 annually and shall not exceed a period of 10 years.

(3) Auto racing. Any property designed exclusively for the racing of motor vehicles. Such abatement shall not exceed a period of 10 years.

(4) Academic or research institute. The property of any academic or research institute in the taxing district that (i) is an exempt organization under paragraph (3) of Section 501(c) of the Internal Revenue Code, (ii) operates for the benefit of the public by actually and exclusively performing scientific research and making the results of the research available to the interested public on a non-discriminatory basis, and (iii) employs more than 100 employees. An abatement granted under this paragraph shall be for at least 15 years and the aggregate amount of abated taxes for all taxing districts combined shall not exceed \$5,000,000.

(5) Housing for older persons. Any property in the taxing district that is devoted exclusively to affordable housing for older households. For purposes of this paragraph, "older households" means those households (i) living in housing provided under any State or federal program that the Department of Human Rights determines is specifically designed and operated to assist elderly persons and is solely occupied by persons 55 years of age or older and (ii) whose annual income does not exceed 80% of the area gross median income, adjusted for family size, as such gross income and median income are determined from time to time by the United States Department of Housing and Urban Development. The abatement shall not exceed a period of 15 years, and the aggregate amount of abated taxes for all taxing districts shall not exceed \$3,000,000.

(6) Historical society. For assessment years 1998 through

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2000, the property of an historical society qualifying as an exempt organization under Section 501(c)(3) of the federal Internal Revenue Code.

(7) Recreational facilities. Any property in the taxing district (i) that is used for a municipal airport, (ii) that is subject to a leasehold assessment under Section 9-195 of this Code and (iii) which is sublet from a park district that is leasing the property from a municipality, but only if the property is used exclusively for recreational facilities or for parking lots used exclusively for those facilities. The abatement shall not exceed a period of 10 years.

(8) Relocated corporate headquarters. If approval occurs within 5 years after the effective date of this amendatory Act of the 92nd General Assembly, any property or a portion of any property in a taxing district that is used by an eligible business for a corporate headquarters as defined in the Corporate Headquarters Relocation Act. Instead of an abatement under this paragraph (8), a taxing district may enter into an agreement with an eligible business to make annual payments to that eligible business in an amount not to exceed the property taxes paid directly or indirectly by that eligible business for premises occupied pursuant to a written lease and may make those payments without the need for an annual appropriation. Any abatement ordered or agreement entered into under this paragraph (8) may be effective for the entire term specified by the taxing district, except the term of the abatement or annual payments may not exceed 20 years.

(b) Upon a majority vote of its governing authority, any municipality may, after the determination of the assessed valuation of its property, order the county clerk to abate any portion of its taxes on any property that is located within the corporate limits of the municipality in accordance with Section 8-3-18 of the Illinois Municipal Code.

(Source: P.A. 90-46, eff. 7-3-97; 90-415, eff. 8-15-97; 90-568, eff. 1-1-99; 90-655, eff. 7-30-98; 91-644, eff. 8-20-99; 91-885, eff. 7-6-00.)

Section 995. Severability. The provisions of this Act are severable under Section 1.31 of the Statute on Statutes.

Section 999. Effective date. This Act takes effect upon becoming law."

The motion prevailed and the amendment was adopted and ordered printed.

And House Bill No. 1655, as amended, was returned to the order of third reading.

READING A BILL FROM THE HOUSE OF REPRESENTATIVES A THIRD TIME

On motion of Senator Dillard, House Bill No. 1655 having been printed as received from the House of Representatives, together with all Senate Amendments adopted thereto, was taken up and read by title a third time.

And the question being, "Shall this bill pass?" it was decided in the affirmative by the following vote: Yeas 51; Nays 6.

The following voted in the affirmative:

Bowles
Burzynski

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Clayborne
Cullerton
DeLeo
del Valle
Demuzio
Dillard
Donahue
Dudycz
Geo-Karis
Halvorson
Hawkinson
Hendon
Jacobs
Jones, E.
Jones, W.
Karpel
Klemm
Lauzen
Lightford
Link
Madigan, L.
Madigan, R.
Molaro
Munoz
Noland
Obama
O'Malley
Parker
Peterson
Petka
Radogno
Ronen
Roskam
Shadid
Shaw
Sieben
Silverstein
Smith
Sullivan
Syverson
Trotter
Viverito
Walsh, L.
Walsh, T.
Watson
Weaver
Welch
Woolard
Mr. President

The following voted in the negative:

Bomke
Cronin
Luechtefeld
Mahar
Myers
Rauschenberger

This bill, having received the vote of a constitutional majority

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of the members elected, was declared passed, and all amendments not adopted were tabled pursuant to Senate Rule No. 5-4(a).

Ordered that the Secretary inform the House of Representatives thereof and ask their concurrence in the Senate Amendments adopted thereto.

COMMITTEE MEETING ANNOUNCEMENT

Senator Hawkinson, Chairperson of the Committee on Judiciary announced that the Judiciary Committee will meet Friday, May 25, 2001 in Room 400, Capitol Building, at 9:30 o'clock a.m.

MESSAGES FROM THE HOUSE OF REPRESENTATIVES

A message from the House by

Mr. Rossi, Clerk:

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 933

A bill for AN ACT concerning health facilities.

Together with the following amendments which are attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 933

House Amendment No. 2 to SENATE BILL NO. 933

Passed the House, as amended, May 24, 2001.

ANTHONY D. ROSSI, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 933

AMENDMENT NO. 1. Amend Senate Bill 933 on page 3, line 24, after "Illinois.", by inserting "Hospital affiliate" does not include a health maintenance organization regulated under the Health Maintenance Organization Act."; and on page 4, by replacing lines 30 and 31 with "or otherwise investigate the activities of a hospital affiliate not otherwise required to be licensed.".

AMENDMENT NO. 2 TO SENATE BILL 933

AMENDMENT NO. 2. Amend Senate Bill 933, AS AMENDED, by replacing everything after the enacting clause with the following:

"Section 5. The Hospital Licensing Act is amended by adding Section 10.8 as follows:

(210 ILCS 85/10.8 new)

Sec. 10.8. Requirements for employment of physicians.

(a) Physician employment by hospitals and hospital affiliates. Employing entities may employ physicians to practice medicine in all of its branches provided that the following requirements are met:

(1) The employed physician is a member of the medical staff of either the hospital or hospital affiliate. If a hospital affiliate decides to have a medical staff, its medical staff shall be organized in accordance with written bylaws where the affiliate medical staff is responsible for making recommendations to the governing body of the affiliate regarding all quality assurance activities and safeguarding professional autonomy. The

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affiliate medical staff bylaws may not be unilaterally changed by the governing body of the affiliate. Nothing in this Section requires hospital affiliates to have a medical staff.

(2) Independent physicians, who are not employed by an employing entity, periodically review the quality of the medical services provided by the employed physician to continuously improve patient care.

(3) The employing entity and the employed physician sign a statement acknowledging that the employer shall not unreasonably exercise control, direct, or interfere with the employed physician's exercise and execution of his or her professional judgment in a manner that adversely affects the employed physician's ability to provide quality care to patients. This signed statement shall take the form of a provision in the physician's employment contract or a separate signed document from the employing entity to the employed physician. This statement shall state: "As the employer of a physician, (employer's name) shall not unreasonably exercise control, direct, or interfere with the employed physician's exercise and execution of his or her professional judgment in a manner that adversely affects the employed physician's ability to provide quality care to patients."

(4) The employing entity shall establish a mutually agreed upon independent review process with criteria under which an employed physician may seek review of the alleged violation of this Section by physicians who are not employed by the employing entity. The affiliate may arrange with the hospital medical staff to conduct these reviews. The independent physicians shall make findings and recommendations to the employing entity and the employed physician within 30 days of the conclusion of the gathering of the relevant information.

(b) Definitions. For the purpose of this Section:

"Employing entity" means a hospital licensed under the Hospital Licensing Act or a hospital affiliate.

"Employed physician" means a physician who receives an IRS W-2 form, or any successor federal income tax form, from an employing entity.

"Hospital" means a hospital licensed under the Hospital Licensing Act, except county hospitals as defined in subsection (c) of Section 15-1 of the Public Aid Code.

"Hospital affiliate" means a corporation, partnership, joint venture, limited liability company, or similar organization, other than a hospital, that is devoted primarily to the provision, management, or support of health care services and that directly or indirectly controls, is controlled by, or is under common control of the hospital. "Control" means having at least an equal or a majority ownership or membership interest. A hospital affiliate shall be 100% owned or controlled by any combination of hospitals, their parent corporations, or physicians licensed to practice medicine in all its branches in Illinois. "Hospital affiliate" does not include a health maintenance organization regulated under the Health Maintenance Organization Act.

"Physician" means an individual licensed to practice medicine in all its branches in Illinois.

"Professional judgment" means the exercise of a physician's independent clinical judgment in providing medically appropriate diagnoses, care, and treatment to a particular patient at a particular time. Situations in which an employing entity does not interfere with an employed physician's professional judgment include, without limitation, the following:

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(1) practice restrictions based upon peer review of the physician's clinical practice to assess quality of care and utilization of resources in accordance with applicable bylaws;

(2) supervision of physicians by appropriately licensed medical directors, medical school faculty, department chairpersons or directors, or supervising physicians;

(3) written statements of ethical or religious directives; and

(4) reasonable referral restrictions that do not, in the reasonable professional judgment of the physician, adversely affect the health or welfare of the patient.

(c) Private enforcement. An employed physician aggrieved by a violation of this Act may seek to obtain an injunction or reinstatement of employment with the employing entity as the court may deem appropriate. Nothing in this Section limits or abrogates any common law cause of action. Nothing in this Section shall be deemed to alter the law of negligence.

(d) Department enforcement. The Department may enforce the provisions of this Section, but nothing in this Section shall require or permit the Department to license, certify, or otherwise investigate the activities of a hospital affiliate not otherwise required to be licensed by the Department.

(e) Retaliation prohibited. No employing entity shall retaliate against any employed physician for requesting a hearing or review under this Section. No action may be taken that affects the ability of a physician to practice during this review, except in circumstances where the medical staff bylaws authorize summary suspension.

(f) Physician collaboration. No employing entity shall adopt or enforce, either formally or informally, any policy, rule, regulation, or practice inconsistent with the provision of adequate collaboration, including medical direction of licensed advanced practice nurses or supervision of licensed physician assistants and delegation to other personnel under Section 54.5 of the Medical Practice Act of 1987.

(g) Physician disciplinary actions. Nothing in this Section shall be construed to limit or prohibit the governing body of an employing entity or its medical staff, if any, from taking disciplinary actions against a physician as permitted by law.

(h) Physician review. Nothing in this Section shall be construed to prohibit a hospital or hospital affiliate from making a determination not to pay for a particular health care service or to prohibit a medical group, independent practice association, hospital medical staff, or hospital governing body from enforcing reasonable peer review or utilization review protocols or determining whether the employed physician complied with those protocols.

(i) Review. Nothing in this Section may be used or construed to establish that any activity of a hospital or hospital affiliate is subject to review under the Illinois Health Facilities Planning Act.

(j) Rules. The Department shall adopt any rules necessary to implement this Section.

Section 99. Effective date. This Act takes effect on September 30, 2001."

Under the rules, the foregoing Senate Bill No. 933, with House Amendments numbered 1 and 2, was referred to the Secretary's Desk.

A message from the House by
Mr. Rossi, Clerk:

[May 24, 2001]

Mr. President -- I am directed to inform the Senate that the House of Representatives has concurred with the Senate in the passage of a bill of the following title, to-wit:

SENATE BILL NO. 1493

A bill for AN ACT in relation to senior citizens and disabled persons.

Together with the following amendment which is attached, in the adoption of which I am instructed to ask the concurrence of the Senate, to-wit:

House Amendment No. 1 to SENATE BILL NO. 1493

Passed the House, as amended, May 24, 2001.

ANTHONY D. ROSSI, Clerk of the House

AMENDMENT NO. 1 TO SENATE BILL 1493

AMENDMENT NO. 1. Amend Senate Bill 1493 on page 5, by replacing lines 6 through 8 with the following:

"during a State fiscal year, that beneficiary"; and

on page 5, by replacing lines 11 through 13 with the following:

"remainder of the fiscal year. To become a beneficiary under this program a"; and

by replacing lines 29 through 34 on page 6 and line 1 on page 7 with the following:

"per coverage year for all other persons."; and

on page 8, by replacing lines 13 and 14 with the following:

"4 shall be valid for a period not to exceed one year. On and after the effective date of this amendatory Act of the 92nd General Assembly, however, to enable the Department to convert coverage for a pharmaceutical assistance program participant to a State fiscal year basis, a card shall be valid for a longer or shorter period than 12 months, depending on the date a timely claim is filed and as determined by the Department. All applicants for benefits under this program approved for benefits on or after July 1 but on or before December 31 of any State fiscal year are eligible for benefits through June 30 of that State fiscal year. All applicants for benefits under this program approved for benefits on or after January 1 but on or before June 30 of any State fiscal year are eligible for benefits through June 30 of the following State fiscal year."

Under the rules, the foregoing Senate Bill No. 1493, with House Amendment No. 1, was referred to the Secretary's Desk.

LEGISLATIVE MEASURE FILED

The following floor amendment to the Senate resolution listed below has been filed with the Secretary, and referred to the Committee on Rules:

Senate Amendment No. 2 to Senate Resolution 153

At the hour of 5:16 o'clock p.m., on motion of Senator Luechtefeld, the Senate stood adjourned until Friday, May 25, 2001 at 9:00 o'clock a.m.

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